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PLANNING AND PROGRAMMING COMMITTEE
MAY 14, 2008

SUBJECT: FINAL MULTI-COUNTY GOODS MOVEMENT ACTION PLAN

ACTION: ADOPT PLAN

RECOMMENDATIONS

Adopt final Multi-County Goods Movement Action Plan (MCGMAP) for Los Angeles County and the Southern California region.

ISSUE

At its December 2004 meeting, the Los Angeles County Metropolitan Transportation Authority (LACMTA) Board of Directors instructed staff to utilize the Transportation Planning Bench to advertise and procure a contract for specialized consultant expertise in the development of the MCGMAP, with the understanding that a combination of LACMTA, Orange County Transportation Authority (OCTA), Riverside County Transportation Commission (RCTC), San Bernardino Associated Governments (SANBAG), Southern California Association of Governments (SCAG) and Caltrans funding be used for the contract. Staff resources for these agencies, as well as a Ventura County Transportation Commission, were used in addition to the consultant effort.

At its May 2005 meeting, the Board authorized staff to award a firm fixed price contract to Wilbur Smith Associates to assist in the development of the MCGMAP. The collective work and oversight provided by us and our project partners resulted in an Action Plan (final Executive Summary is attached as Attachment A) that identifies over $50 billion in goods movement infrastructure improvements and mitigation measures to address goods movement over the next 25 years. In addition to specific projects, the Action Plan also recommends action sets to:

- Accelerate Environmental Mitigation
- Relieve Congestion and Improve Mobility
- Improve Operational Efficiency
- Develop Equitable Public/Private Funding Strategies

POLICY IMPLICATIONS

These recommendations are consistent with our Goods Movement Policy Statement adopted by the Board in January 2007 as well as the planning efforts set forth in the Long Range and Short Range Transportation Plans.

ALTERNATIVES CONSIDERED

The Board could decide not to adopt the MCGMAP; however, given the critical role of goods movement efforts to the region's mobility, environment and economy, and our investment in developing this plan, this alternative is not recommended.

FINANCIAL IMPACT

Funding of $200,000 has been included in the FY09 proposed budget in Cost Center 4360, Project No. 405522 and Task No. 05.04 for potential next steps. These activities are funded with Proposition C 25% sales tax funds. The projects identified in the MCGMAP are in various planning and project development phases. State, Federal and private sources will be solicited to fully fund and implement the projects identified in the MCGMAP.

BACKGROUND

Nearly all projections predict dramatic increases in population, traffic and goods movement over the next decades in Los Angeles County. It is anticipated that the environmental consequences of not addressing this expected growth will pose an even greater impact on local communities currently faced with traffic gridlock, truck intrusion into neighborhoods, noise and air pollution. Evidence linking adverse health effects to diesel emissions from goods movement sources (e.g. heavy duty diesel trucks, ships, locomotives and cargo handling equipment), particularly in communities that are in close proximity to these sources and freight corridors is very troubling. The problem is further compounded by the fact that investments in the infrastructure have not kept pace with the projected freight/goods movement demand on the transportation network. The goods movement/logistics industry has, and continues to serve as an economic engine for the region by generating jobs and revenue for Los Angeles County and the State. However, without simultaneous and continuous investments in the infrastructure (e.g. roads, airports seaports, railroads, intermodal facilities, border crossings, etc.) and appropriate environmental mitigations, it may become increasingly difficult to sustain the economic gains associated with this industry.

In January 2007, the Board held its first good movement workshop and adopted a series of goods movement policy statements to identify projects and funding that address the challenges facing Los Angeles County. In so doing, the Board reiterated the importance of our leadership role in building consensus and developing policies and programs that address the region's goods movement related mobility, environmental, economic and financial challenges.

As part of the development of MCGMAP, staff facilitated consensus among the project partners on the vision, approach, recommended courses of action and the next steps outlined in the plan. Stakeholders played an integral role in framing the goods movement issues described in the MCGMAP. A Multi-County Goods Movement Stakeholder Advisory Group (SAG) was established at the outset to share draft deliverables and solicit input. The SAG consisted of a broad cross section of representatives from the public and private sector that included local, state and federal government, councils of government, elected officials, regulatory agencies, environmental, community and academic groups, the trucking community, the ports (sea and air), railroads, shipping and freight industry, developers, and the business community. A total of eight SAG meetings were conducted. In addition, two opinion surveys were developed and disseminated to determine key stakeholder concerns and to get feedback on proposed improvements and strategies. Throughout the development of the MCGMAP, key stakeholders were engaged in the process through meetings and presentations. A total of 12 workshops, extending from the City of Ventura to the City of San Diego, were conducted to obtain feedback on the Draft MCGMAP. Additionally, the draft Action Plan was presented at transportation and/or board meetings of all interested Council of Governments within Los Angeles County.

The MCGMAP is intended to address multi-county goods movement problems in partnership with affected stakeholders, and to serve as a guide in the preparation of state, regional and local transportation plans. In general, stakeholders support a coordinated effort between transportation agencies to solve the goods movement challenges in the region. Also, stakeholders are particularly interested in finding new ways to transport goods (including non-highway alignments) using clean alternative technologies; accelerating environmental mitigation measures; securing the region's fair share of goods movement funding from State, Federal and private sources; and preserving the economic viability of the logistics industry without compromising air quality, public health, safety and mobility. Eight letters were received from various stakeholders providing comments on the Action Plan. Attachment B is a compendium of topical responses to issues raised in the letters as well as the letters themselves.

It is important to note that as the region's master plan for goods movement strategies and projects, MCGMAP will serve as a starting point. To this end, the regional partners have embarked upon an Environmental Justice Study to address the localized goods movement impacts that are largely borne by minority and low income communities. The Study will develop a guidebook that will contain specific strategies and best practices for addressing goods movement impacts and will include one case

study per county. The case study will analyze and recommend environmental mitigation strategies for a particular area of the county heavily impacted by goods movement. Given that goods movement infrastructure improvements and environmental mitigation measures are largely underfunded, it is especially important that staff continue to work with State and Federal agencies and others to identify potential funding sources. It is also critical that staff continue dialogue with affected stakeholders throughout the next steps and subsequent phases of this effort to build consensus before proceeding with the planned improvements/strategies identified in the MCGMAP.

Further, the Board directed staff to conduct a Goods Movement Strategic Plan for Los Angeles County that would include evaluating the feasibility of inland ports, upon completion of the MCGMAP. Subsequently, SCAG has released a request for proposals in response to multi-million dollar regional goods movement study that they have embarked on. The purpose of this study is to refine the goods movement element of the SCAG 2008 Regional Transportation Plan and to investigate use of new technologies to enhance the goods movement system. The study is targeted to begin this summer. Also, the Gateway Cities Council of Governments is proposing a two-day community workshop and brainstorming session with representatives from the goods movement industry this Spring. It is anticipated that these workshops will help to identify collaborative ways to begin addressing goods movement that will benefit local communities as well as the logistics industry.

NEXT STEPS

Upon approval by the Board, staff will continue to evaluate projects and strategies that have been identified in the Action Plan and seek new funding sources. Staff will also confer with the Council of Governments, SCAG and others to ensure that there continues to be a coordinated effort among the various agencies involved in goods movement.

Prepared by: Shahrzad Amiri, DEO San Gabriel Valley Area Team
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Attachments
Attachment A – MCGMAP Final Executive Summary
Attachment B – Topical Responses and Letters

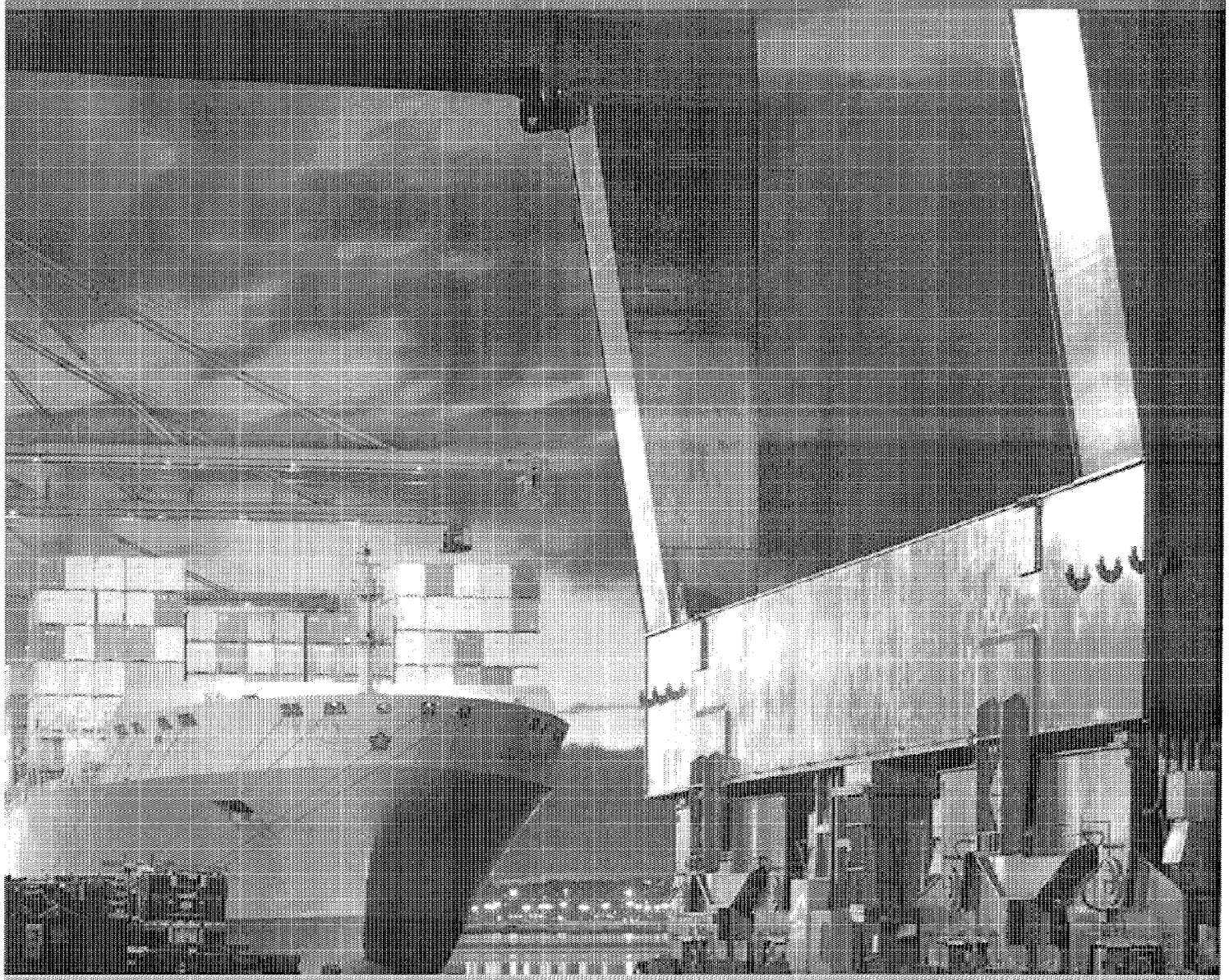
Carol Inge
Chief Planning Officer

for Roger Snoble
Chief Executive Officer

ATTACHMENT A

MULTI-COUNTY GOODS MOVEMENT ACTION PLAN

EXECUTIVE SUMMARY
APRIL 2008



Metro Caltrans OCTA SANBAG SANDAG

Prepared for:

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Orange County Transportation Authority (OCTA)

Riverside County Transportation Commission (RCTC)

San Bernardino Associated Governments (SANBAG)

Ventura County Transportation Commission (VCTC)

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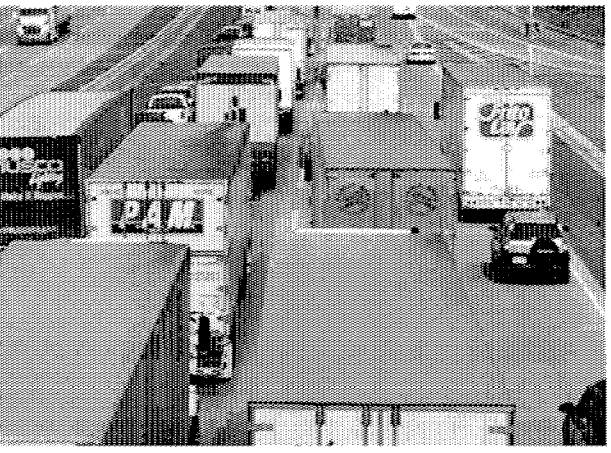
Introduction



Purpose

The Multi-County Goods Movement Action Plan (MCGMAP or Action Plan) represents an unprecedented partnership between county, regional, and state transportation agencies to address the goods movement challenge faced by the Southern California counties of Los Angeles, Orange, Riverside, San Bernardino, San Diego, Ventura, and Imperial (See Figure 1). Collectively, these counties comprise the United States' premiere international commerce gateway, handling 44 percent of the Nation's containerized imports. This preeminence reflects Southern California's competitive advantage derived from its unique combination of large deep-water ports, the California/Mexico border crossings, the West Coast's largest population concentrations, one of the Nation's largest densities of transloading, consolidation, and distribution warehouses, and intermodal facilities. The region also has unparalleled connectivity by all-weather Interstate freeways and transcontinental rail lines to all points within the United States.

However, the rising tide of goods moving through the region imposes multiple mobility, environmental, and community impacts that degrade the region's quality of life and threaten the continued growth of the Southern California freight movement industry on which most of the nation relies. The MCGMAP identifies actions to be undertaken by the partner agencies, together with state and federal agencies and the private sector, to maintain Southern California's role as a center for international trade, commerce and manufacturing by planning for freight growth while simultaneously and aggressively mitigating environmental and local community impacts. The Action Plan sets forth a way to structure and understand the issues and defines actions that should be taken to address infrastructure needs, environmental concerns, and community impacts within the context of that structure. It incorporates and builds on existing studies and initiatives already in progress, and from them develops an integrated, comprehensive, regional approach.

This Executive Summary provides an overview of the region's goods movement challenges, the MCGMAP vision, principles, plan approach, and recommended actions. Also included are the lists of goods movement projects needed to maintain mobility in the face of forecasted demand. Specific and detailed information is contained within the topical chapters of the Action Plan. Additional information is also provided within the contents of technical appendices and memoranda (Tech Memos) prepared throughout the course of this effort, which are available on the project website (http://www.metro.net/mcgmap).

Figure 1: Southern California County Boundary Map

MCGMAP - The Master Plan for Goods Movement in Southern California

The Action Plan is the master plan for goods movement in Southern California and is intended to be used as a guide in preparation of state, regional, and local transportation plans. The objectives of the MCGMAP are to develop strategies that: 1) address the goods movement infrastructure capacity needs of the region; 2) reduce goods movement emissions to help achieve air quality goals; and 3) improve the quality of life and community livability for Southern California residents. The Action Plan is regional in scope, so that the Plan's analyses of potential strategies and investments are at a corridor rather than a local or project-specific level. While detailed project-level analyses were not part of this effort, they are nevertheless critical and will be conducted as part of subsequent project development efforts. The MCGMAP is intended to be a living document that will be revised and updated when major changes occur and if resources are available.

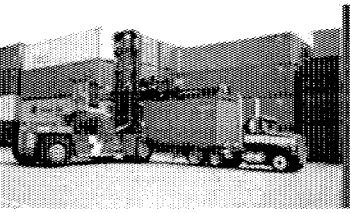
MCGMAP Partner Agency Roles

Goods movement is a diverse industry with a broad and disparate group of public and private sector stakeholders, each with its own roles and responsibilities. The MCGMAP partners are the transportation and planning agencies that co-manage the development of the Action Plan: Los Angeles County Metropolitan Transportation Authority, Orange County Transportation Authority, Riverside County Transportation Commission, San Bernardino Associated Governments, San Diego Association of Governments, Southern California Association of Governments, Ventura County Transportation Commission, and Caltrans Districts 7, 8, 11, and 12. The MCGMAP partners plan, fund, maintain, operate, construct and implement multi-modal transportation projects and influence the goods movement system through the regional planning and programming of funds to transportation projects.

Other organizations, such as the Ports of Los Angeles and Long Beach, have authority to plan and construct transportation and facility improvements within the Ports' jurisdiction, while the South Coast Air Quality Management District (AQMD) develops and implements plans to improve the region's air quality. Decisions regarding land use, arterial improvements and the permitting of warehouses and transloading centers are made by local municipalities.

Regional, state, and federal agencies have varying regulatory authorities over the trucking and rail industries, but the MCGMAP partners have little ability to regulate the operations, business practices, or pollutant emissions of the private sector goods movement operators, and no authority to regulate shippers and ocean carriers. As a result, the MCGMAP partners have focused primarily on goods movement infrastructure while acknowledging the essential roles to be played by the regulatory agencies, the Ports Clean Air Action Plan (CAAP), and public or private technology initiatives.

Given their defined roles and responsibilities, the MCGMAP partners cannot fully implement many of the plan's recommended strategies on their own. Therefore, to fully realize the benefits of this plan, continued collaboration and consensus building among the MCGMAP partners and other public and private sector stakeholders will be critical.



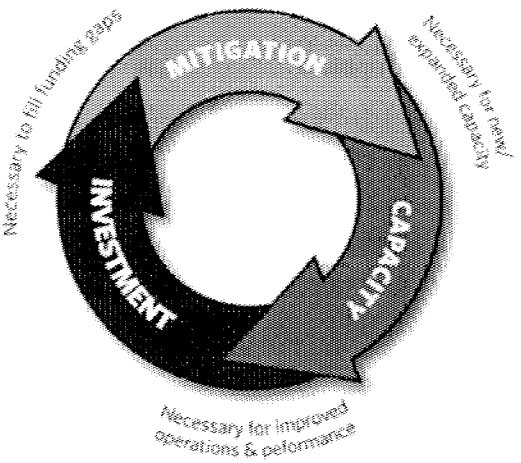
MCGMAP - The Master Plan for Goods Movement in Southern California

"The Action Plan is the master plan for goods movement in Southern California and is intended to be used as a guide in preparartion of state, regional, and local transportation plans."

Simultaneous and Continuous Improvement - An Overarching Strategy

The vision of the Action Plan - a cleaner and healthier environment, alternative mobility strategies, and fair-share investment approaches - must be implemented through simultaneous and continuous improvement of the environment and infrastructure. Figure 2 depicts the concept and importance of a simultaneous and continuous approach. Environmental mitigation, including significant cleanup of emissions from ships, trains, and trucks, is critical to reduce the impact of existing and increased freight flows and to reach the region's air quality attainment targets. Expanded marine terminals, and inter-modal, rail, and highway infrastructure are needed to accommodate the growing freight volume. The freight growth that is accommodated through these actions provides the economic base for public and private investment in infrastructure and the environmental cleanup. The vision of the MCGMAP is to implement these elements in parallel - capacity, investment, and mitigation - each of which is necessary for the other to succeed.

Figure 2: MCGMAP Simultaneous and Continuous Approach



Core Mandates and Implementation Principles

The project partners developed four core mandates and six implementation principles to provide the guiding framework for the development of the MCGMAP.

CORE MANDATES

ENVIRONMENT: **Avoid, Reduce, and Mitigate Environmental, Community, and Health Impacts**

Environmental and community impacts must receive equal attention in the implementation of solutions.

MOBILITY: **Promote the Safe and Efficient Movement of All Transportation Modes and Reduce Congestion**

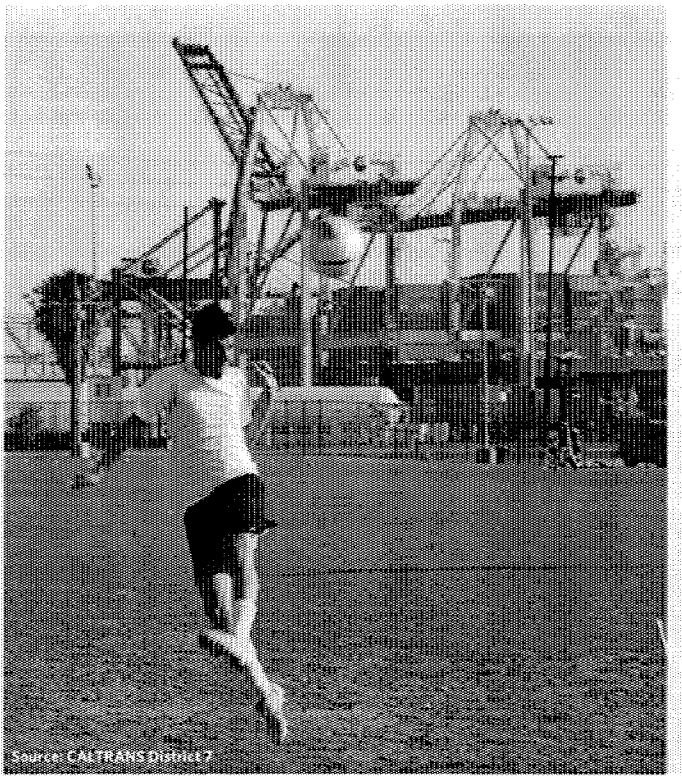
Existing and projected traffic growth will result in the significant deterioration of the region's highway and rail system's performance capabilities. The region's transportation system presents significant safety concerns for the public, particularly at-grade crossings and truck accidents, and increasing truck traffic in neighborhoods.

ECONOMY: **Ensure the Economic Well-Being of the Region and the State**

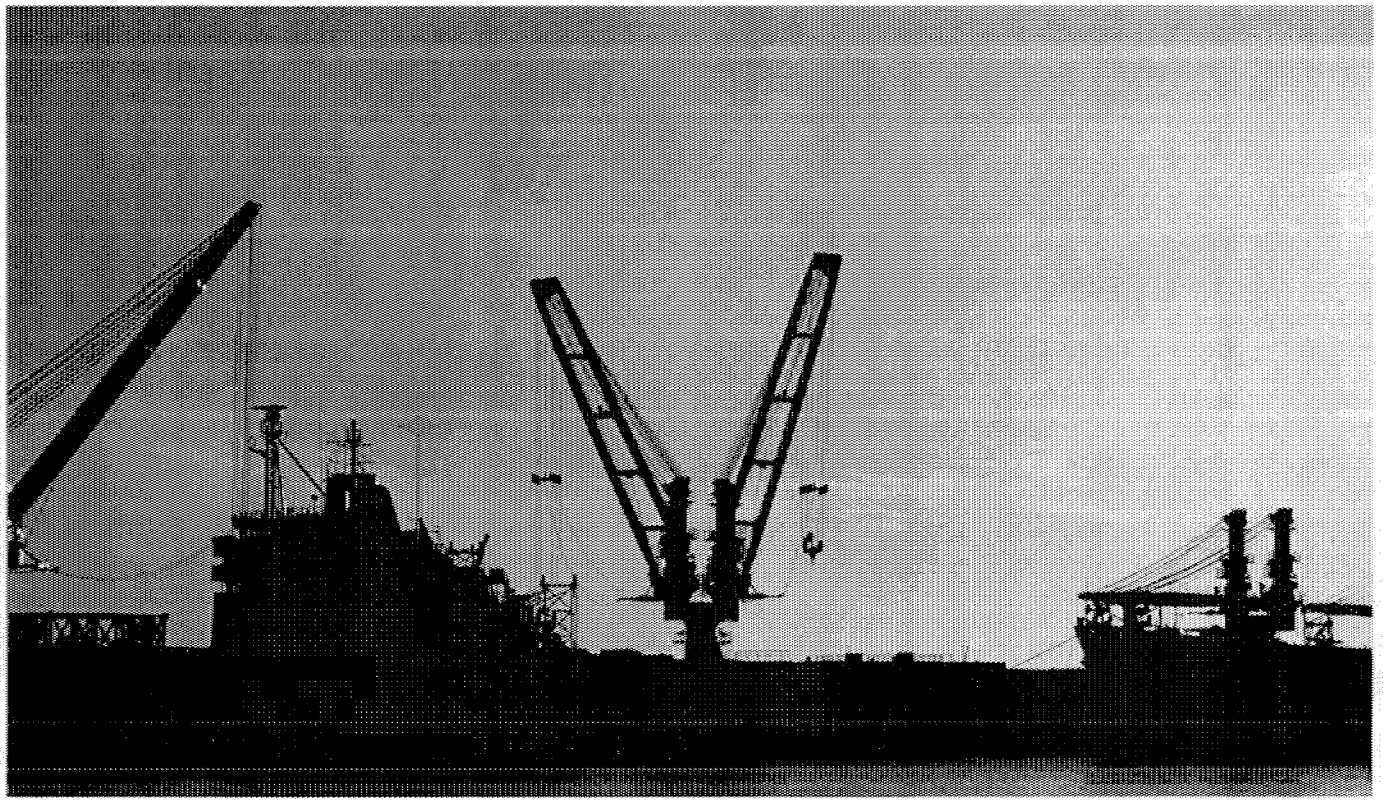
Goods movement is an important segment of the MCGMAP region and the U.S. trade economy. Goods movement and the associated industries (e.g., logistics) provide direct and indirect benefits to the region's economy. Each new logistics job supports two new jobs in the economy.

FUNDING: **Secure the Region's Fair Share of Public and Private Funds for Investment in the Freight Transportation System**

Although the region's goods movement system serves markets within and outside of California, these markets and associated system users are not paying their fair share to offset the costs of regional freight congestion and related health impacts. While still advocating for dedicated federal and state funding sources, user-based public-private funding arrangements must be a major component of the financing for critical projects.



Source: CALTRANS District 7



IMPLEMENTATION PRINCIPLES

The MCGMAP builds upon the principles set forth in the Statewide Goods Movement Action Plan (January 2007). The following represent implementation principles specific to MCGMAP:

1. Guideline: The Action Plan is the master plan for goods movement in Southern California and is intended to be used as guidance in the preparation of state, regional, and local transportation plans. The Action Plan can also be a tool for local jurisdictions to make informed land use decisions.

2. Investment: Investments in goods movement infrastructure will be implemented on a simultaneous and continuous basis with investments in environmental/community mitigation.

3. Cost Distribution: A fair share of the cost of the impacts of goods movement on transportation infrastructure, environment, and communities must be borne by those benefiting from it.

4. Management: The need for institutional mechanisms for financing or implementing projects, will be defined as such needs are clearly identified.

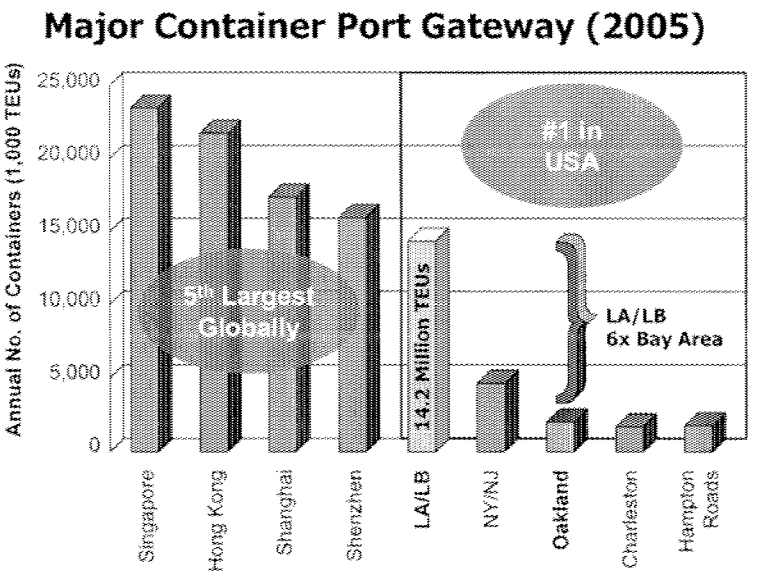
5. Public Benefit: Projects supported by public/private partnerships and private projects supported by public funding should demonstrate a clear public benefit.

6. Land Use Compatibility: Partner agencies shall encourage land use decisions that will result in buffers - both open and developed - that separate goods movement infrastructure and sensitive receptors such as residential areas, schools, and hospitals.

CHALLENGES FOR THE NATIONAL TRADE GATEWAY

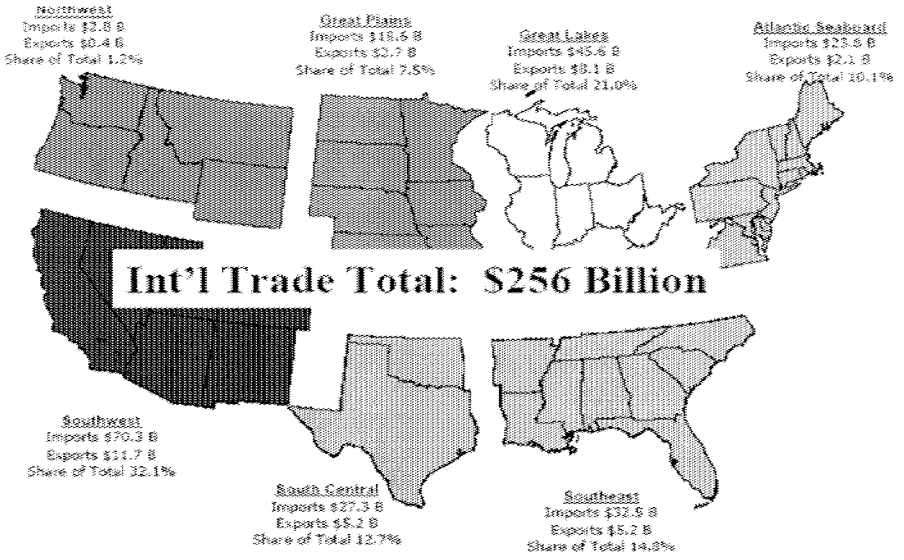
Currently, the Ports of Long Beach and Los Angeles (San Pedro Bay ports) accommodate more than 40 percent of all international containerized cargo into and out of the U.S. and were ranked 5th in the world in 2005 (see Figure 3). All indications point to a future demand in international freight flows that will exceed even the most aggressive efforts by the ports, railroads, and transportation agencies to accommodate it. Container volumes through the San Pedro Bay ports are projected to nearly triple from **15.7 million TEUs** (twenty-foot equivalent units) in 2006 to **42.5 million TEUs** by 2030. These forecasts are constrained by anticipated port capacity at a level significantly below the TEU demand projected for the ports in federally sponsored analyses. A large portion of this trade is simply "through-traffic," degrading air quality and impacting the region's quality of life, while providing limited economic benefit to the region. Approximately 77% of the container-based goods handled by the San Pedro Bay ports are consumed outside the Southern California region. Only 23% are consumed within the region. Freight flowing through the Ports of Los Angeles and Long Beach, which totaled $256 billion in 2005, reaches every state in the continental U.S. as shown in Figure 4.

Figure 3: Major Container Port Gateways

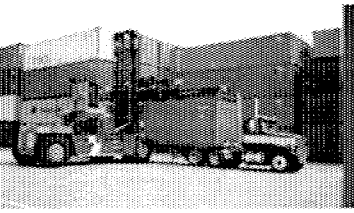


Trucks traversing the California/Mexico border crossing area utilize three primary ports of entry (POE) - Otay Mesa, Tecate, and Calexico East. Mexico is California's number one export market and the fastest expanding component of the San Diego regional economy. The Otay Mesa-Mesa de Otay Port of Entry is the busiest commercial border crossing between California and Mexico, handling more than 1.4 million trucks and $28.6 billion worth of goods in both directions in 2006. This trade represents the third highest dollar value of trade among all land border crossings between the United States and Mexico. Another $1.2 billion in merchandise and more than 140,000 trucks crossed at the Tecate-Tecate POE. For Imperial County, the Calexico East/Calexico II POE processed $11.3 billion in goods and 614,000 trucks in 2006. Nearly 80% of these truck trips stay within the state.

Figure 4: Total Value of Containerized Trade Moving through the Ports of Los Angeles and Long Beach, 2005



Source: Port of Los Angeles, Port of Long Beach, and Alameda Corridor Transportation Authority



The Crisis

The region is faced with multiple mobility, environmental, community impact, funding, and economic challenges:

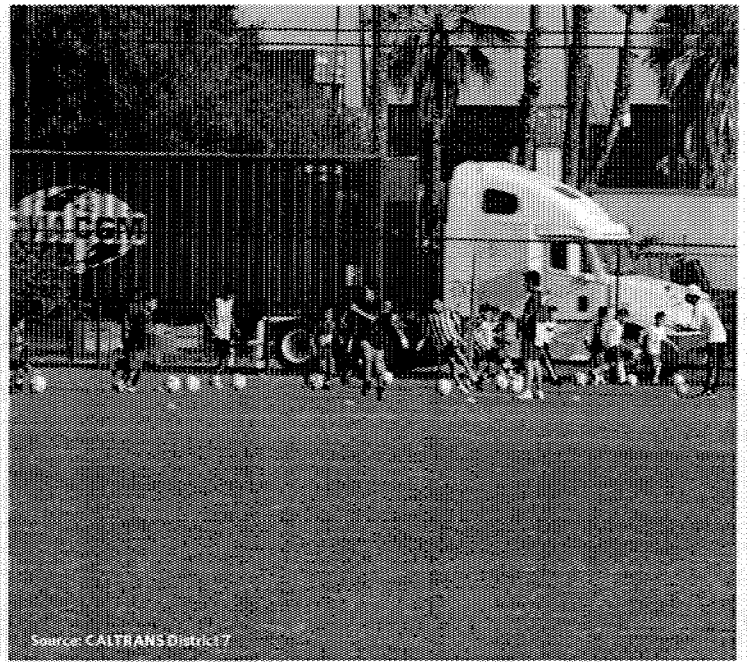
Mobility Challenge - The study area's ports, airports, rail lines and inter-modal terminals have existing capacity constraints that undermine the efficiency and productivity of the system as a whole. Furthermore, the existing roadway and rail networks are reaching capacity. As a result, the system today is susceptible to disruptions to the movement of goods, causing delays that reduce the quality of services and increase costs to consumers. The mobility challenge is further exacerbated by the fact that the roadways, and rail networks that accommodate the movement of goods are often the same as those utilized by motorists and passengers for the movement of people.

Modeling for the SCAG region (defined as Los Angeles, Orange, San Bernardino, Ventura, Riverside, and Imperial Counties) forecasts that truck vehicle miles of travel (VMT) will increase by over 110% by 2030, growing from a level of 22.4 million VMT in 2000 to 48.4 million VMT by 2030. Some freeways in the region currently handle up to 40,000 trucks per day, and it is projected that these freeways may have to handle up to 80,000 trucks per day by 2025. As a result of the growth in passenger and truck traffic, the highway system's performance will deteriorate significantly. In fact, average speeds will drop from 35.9 mph in 2005 to 31.9 mph in 2030, resulting an average of 5.4 million hours of delay daily for all traffic. Furthermore, freight rail volume is projected to increase from 112 trains per day in 2000 to 250 trains per day in 2025 along the BNSF and Union Pacific mainline rail network. The current and future mobility challenges for the region are daunting and require immediate action as well as proactive steps to address future needs.

Environmental and Community Challenges - The goods movement system directly affects quality of life. This includes traffic congestion, truck intrusion into neighborhoods, safety, land use incompatibility, poor air quality and related health impacts, restricted mobility and delay at rail crossings, noise and vibration impacts, and visual impacts.

The dimensions of these impacts are staggering when viewed within the context of Southern California's designation as a non-attainment region for air quality. The use of bunker and diesel fuels, predominantly for the transport of freight by ocean going vessels, is a large contributor to the deterioration of the region's air quality. Furthermore, new health studies are drawing ever stronger conclusions about the association of air pollution with public health effects such as asthma, reduced lung function, and cancer risk that target the most vulnerable in the port communities and around other logistics centers - children. Implications of these findings are reflected in the estimated public health impacts summarized by California Air Resource Board (CARB) in Table 1.

Solving the challenge of moving freight is greatly complicated by the knowledge that failure to convert large proportions of the railroad engines and truck fleet to low-emitting or zero-emitting engines in the near future will result in missing the regional emission reduction targets needed by 2014 to meet the federal annual PM 2.5 standard, and by 2019 to meet the federal 24-hour PM 2.5 standard. Failure to meet the budget for the State Implementation Plan for air quality could result in a cessation of the flow of federal funds for highway projects. Thus, mobility and environmental challenges are heavily intertwined.



Source: CALTRANS District 7

Table 1: CARB Annual (2005) Health Effects of PM and Ozone Pollution

Annual (2005) Health Effects of PM and Ozone Pollution from Freight Transport in California

Health Outcome[A]	Cases per Year	2005 Valuation ($ Millions)
Premature Death[B]	2,400	19,000
Hospital Admissions (respiratory causes)	2,000	67
Hospital Admissions (cardiovascular causes)	830	34
Asthma and Other Lower Respiratory Symptoms	62,000	1.1
Acute Bronchitis	5,100	2.2
Work Loss Days	360,000	65
Minor Restricted Activity days	3,900,000	230
School Absence	1,100,000	100
Total	**NA**	**19,499**

Source: California Air Resources Board, March 2006

A Does not include the contributions from particle sulfate reformed from SOx emissions, which is being addressed with several ongoing emissions, measurement, and modeling studies.

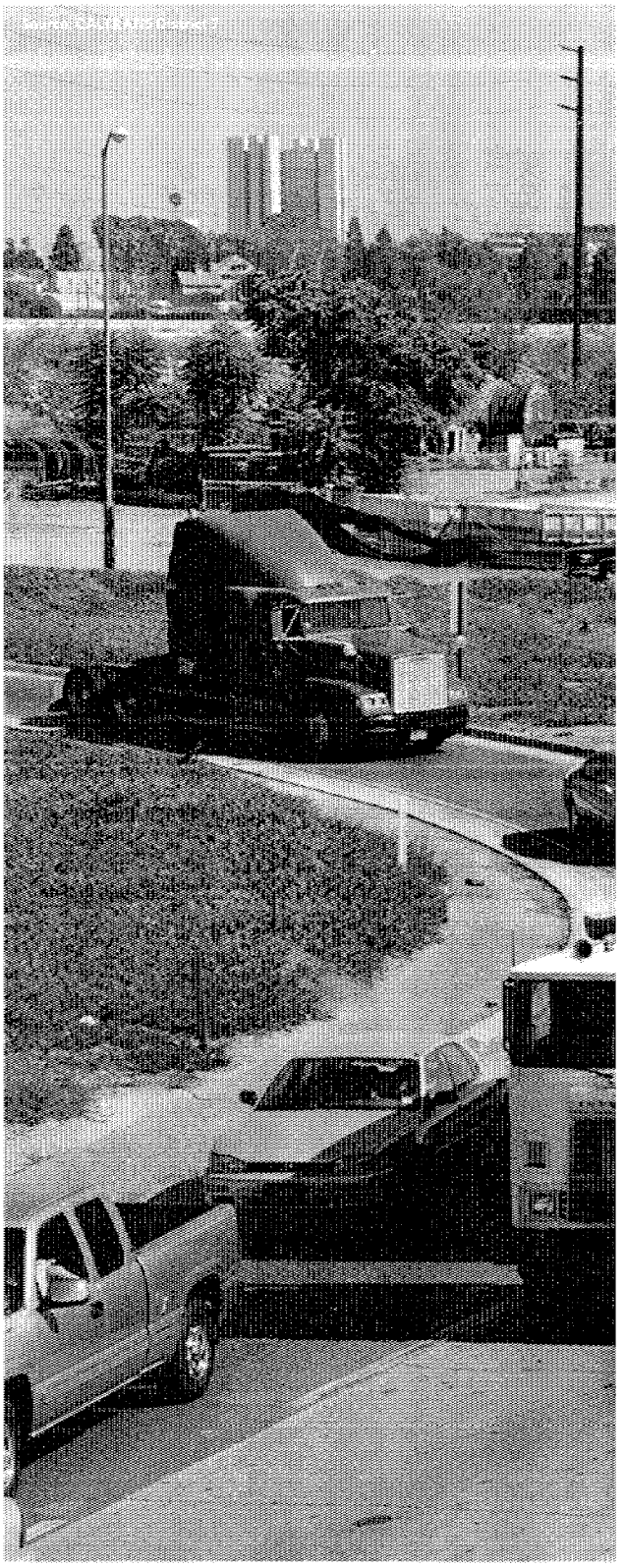
B Includes cardiopulmonary- and lung cancer-related deaths.

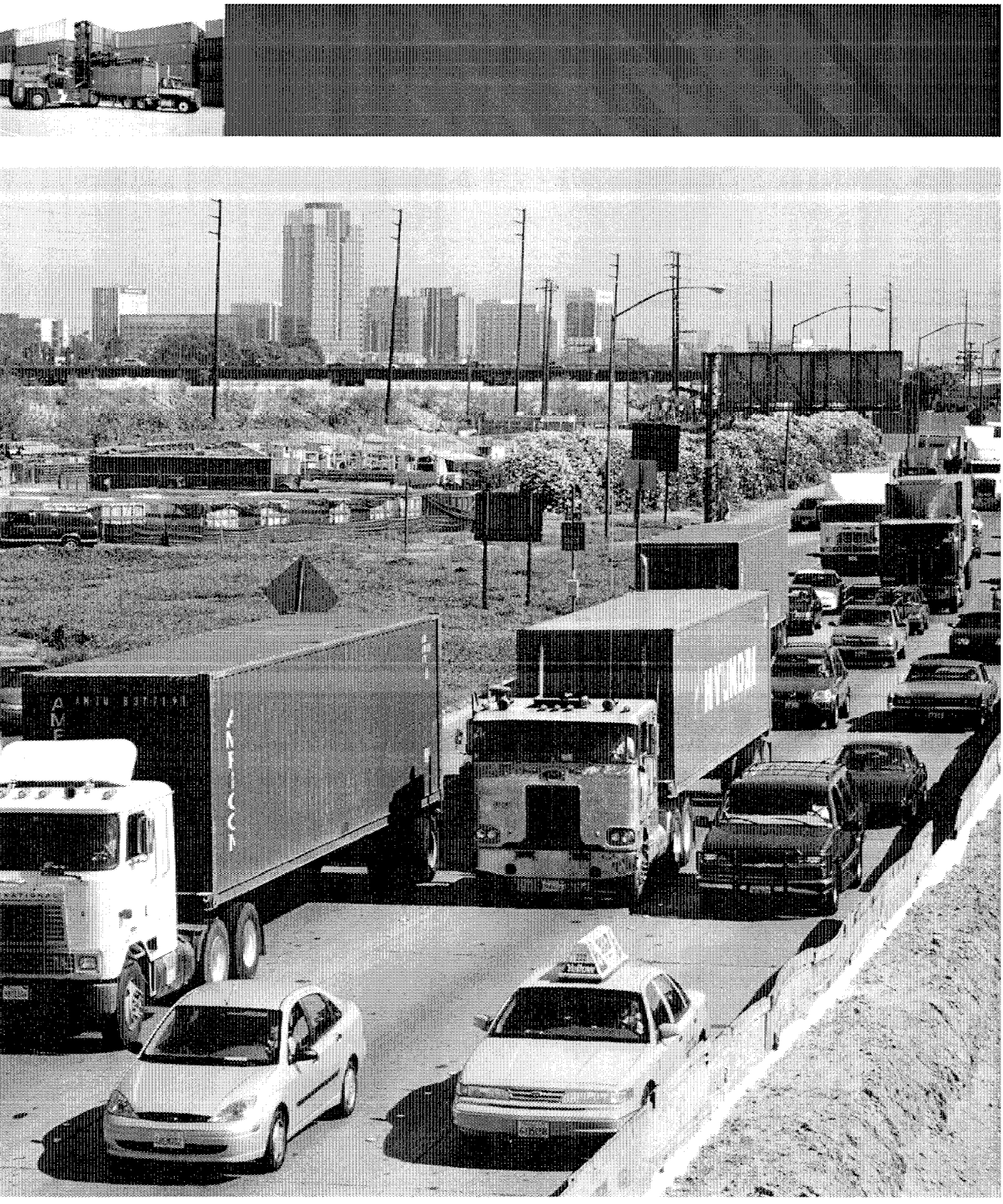
Funding Challenges- The goods movement system is significantly underfunded. Projects and programs identified in this Action Plan show funding needs on the order of $50 billion over the next 25 years. Despite accommodating most of the nation's international trade volumes, Southern California has received a disproportionately low share of federal and state funding for goods movement. Moreover, the private sector's role in funding regional and nationally significant goods movement projects to date has been limited.

Economic Challenges - Despite its impacts, international trade provides significant benefits to the region. The logistics industry provides both direct and indirect benefits to the region's economy. Economic studies show that logistics activity is responsible for $90.7 billion, or 6.6%, of the nearly $1.4 trillion in economic activity annually in Southern California. The indirect or induced impact represents another $170 billion or 12.4%. Each logistics job supports 2.2 new jobs in the economy. This contribution to the economy is significant and is important to achieving the MCGMAP vision.

Conversely, the economic benefits of goods movement can be negatively impacted by delays and congestion. At the Otay Mesa and Tecate international border crossings, inadequate and aging infrastructure and more stringent security requirements caused the U.S. and Mexico binational economy to lose $3.9 billion and about 21,900 jobs during 2007. The border delays in freight movement result in increased transportation costs and interruptions in manufacturing and delivery cycles.

In order to maintain the economic vitality of the region, the economic benefits of goods movement must be leveraged and expanded. One of the challenges for the region is to translate a portion of these economic benefits into a stream of funding that addresses the infrastructure improvements made necessary by the increased movement of goods within and through Southern California. In addition, the economic growth attainable through increased logistics activity is needed to finance the cleanup of environmental problems that have been allowed to accumulate.





Understanding Freight Flows

Currently, goods passing through the Southern California seaports and land ports of entry with Mexico belong to one of three modal "market segments": 1) On-dock and off-dock/near-dock; 2) distribution/delivery; and 3) transload. By identifying the modes of travel for goods, a market segmented approach can be developed that will allow for the region to better target improvements and funding sources for goods movement projects and associated environmental and community impact mitigation measures.

Understanding the Market Segments

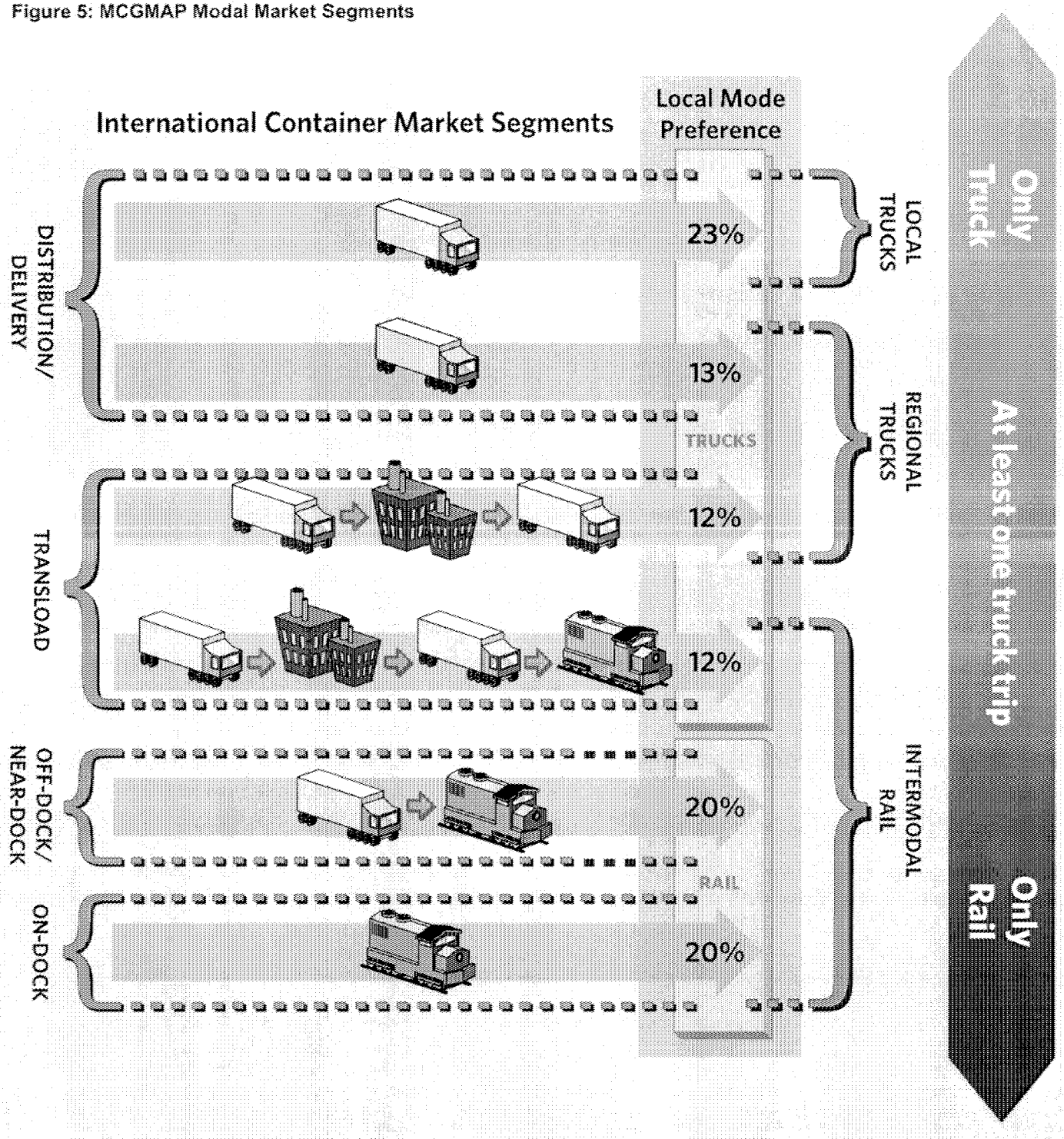
Figure 5 depicts the three primary market segments. Note that the specific percentages listed may vary on a daily basis and do not account for domestic goods movement, which represents a significant share of truck VMT in Southern California.

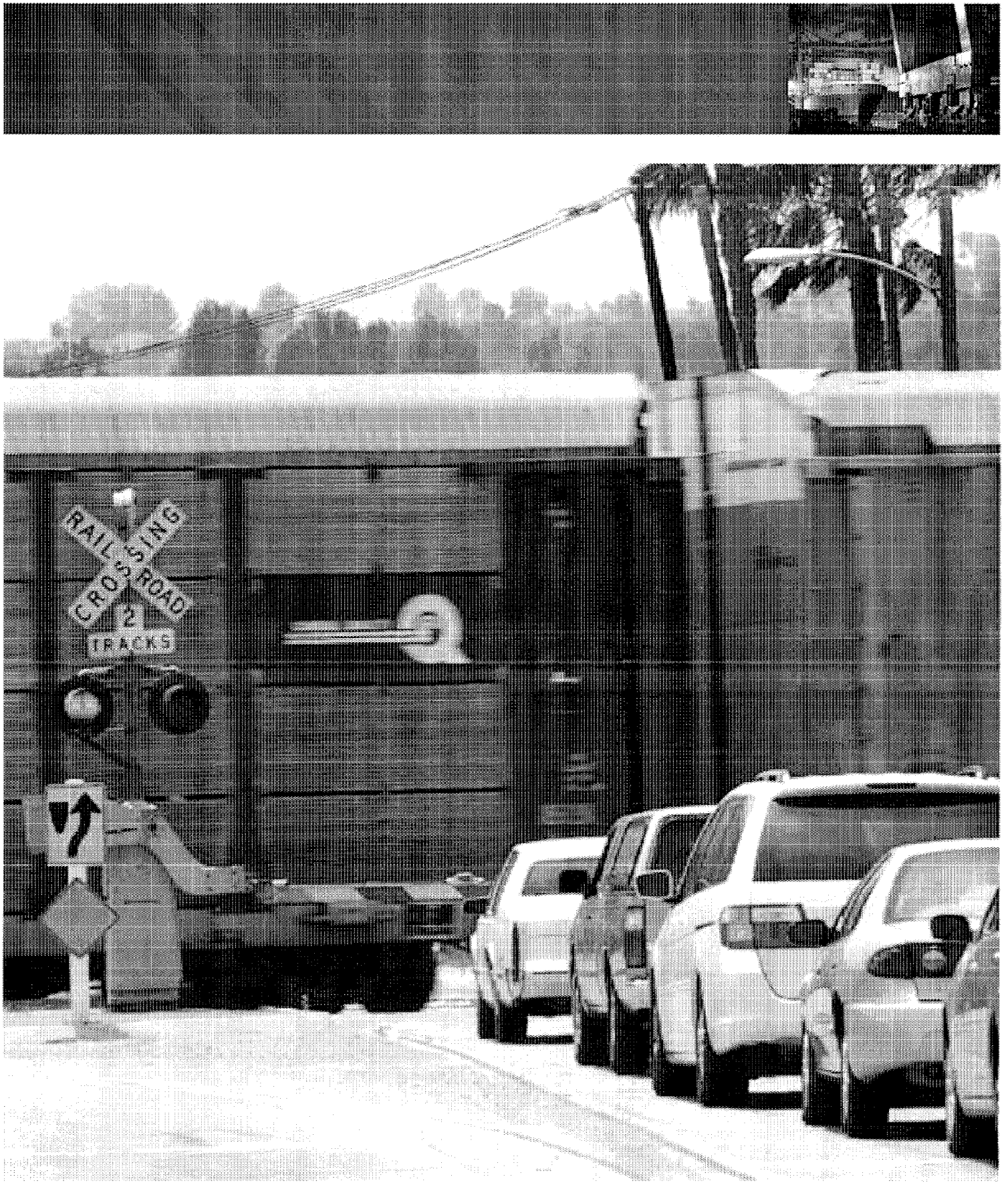
- ***Direct Shipment from on-dock and off-dock/near-dock*** - Approximately 40% of containers passing through the Ports of Los Angeles/Long Beach leave the region by rail utilizing either on-dock rail at the marine terminals or off-dock/near-dock rail inter-modal facilities. These goods are destined for areas outside the MCGMAP region, including the central and eastern United States. As a result, funding sources for goods movement can be better targeted since the direct benefits to shippers and the nation can be clearly shown. This includes additional state and federal goods movement funding, as well as container fees levied on shippers who receive direct benefits from improved efficiency of the goods movement system.

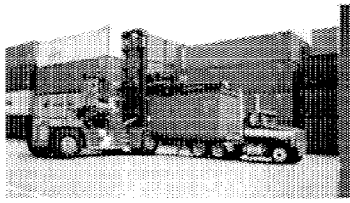
- ***Transload*** - Approximately 37% of containers passing through the Ports of Los Angeles/Long Beach are either trucked directly out of the region or leave the region after an intermediate stop at a warehouse or distribution center. These goods may arrive at the ports as a single container, be transported to an inland distribution center by truck, be broken down into smaller units while at a warehouse or distribution center, then loaded onto either truck or rail to be moved to their final destinations. Such goods use more specific routes through the MCGMAP region and provide better opportunities for targeting of specific routes, users, or impacts relative to local distribution/delivery. This includes truck replacement/retrofit programs, the development of separated corridors that move between clustered warehouse and distribution centers, and concepts such as inland ports and virtual container yards (yard operations to reduce the number of unproductive container truck trips).

- ***Distribution/Delivery*** – Approximately 23% of containers passing through the Ports of Los Angeles/Long Beach stay within the Southern California region, with the associated benefits and impacts. Because the origins and destinations for these goods are as dispersed as the people and communities that rely on them, the trucks transporting these goods use various roadways and routes for travel and blend into all other vehicular traffic within the region. Domestic goods movement, such as local delivery, construction, manufacturing, and service/utility trucking exhibit similar travel patterns. Because the users and shippers of this modal market are so widely varied, it is difficult to target individual users for funding without ignoring other users. Traditional funding sources for roadway improvements and alternative funding approaches for roadway tolling or congestion pricing will be needed to address this market segment.

Figure 5: MCGMAP Modal Market Segments




RAIL ROAD
CROSSING
2
TRACKS



Action Plan Framework

The MCGMAP is structured around four sets of actions, each of which is related to a component or segment of the goods movement market. Pages 10 and 11 discuss the concept of market segmentation of the goods movement flows within and through Southern California. It is a concept for structuring the problem in a way that lends itself to more targeted and cost-effective solutions. The three basic market segments of freight flows are:

- Direct intermodal rail shipment from on-dock and off-dock/near-dock to locations outside the region
- Transload (regional trips with an intermediate stopping point)
- Local distribution/delivery by trucks

The MCGMAP strategy distributes four "action sets" across the three basic market segments. This represents the basic structure upon which MCGMAP is built. The four action sets include:

1. Accelerate regional environmental mitigation
2. Relieve congestion and improve mobility
3. Improve operational efficiency
4. Develop equitable public/private funding strategy

Table 2 illustrates the core elements of the MCGMAP strategy by identifying the types of actions appropriate to address the needs of each market segment. In some cases, such as the environmental strategies, similar actions cut across all the market segments, but the appropriate source of funding from which to draw resources may vary.

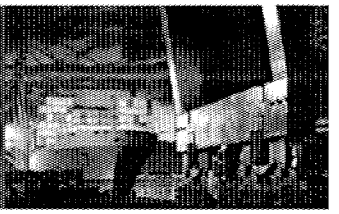
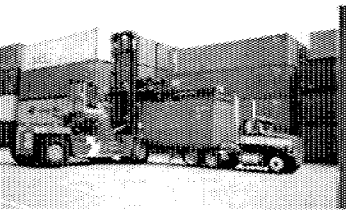


Table 2: Example Actions Targeted by Market Segment

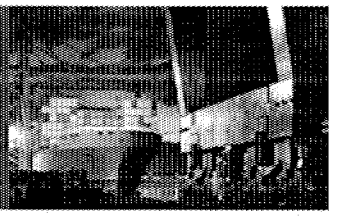
FREIGHT MODAL MARKET SEGMENTS	*ACTION 1 -Accelerate Regional Environmental Mitigation*
Freight moves destined outside of Southern California (~52%) - No Stops within Region – "Intermodal Rail"	
Freight loaded onto trains at the dock (~20%) Freight transported to near dock facility then onto a train (~20%) Freight transported directly out of the region by truck (~12%)	• Accelerate emission reduction measures in CAAP, AQMD, and state plans • Use clean technology shuttle to intermodal facilities • Use low emission train engines or electrification • Construct grade separations in ACE corridor
Freight moves destined outside of Southern California (~25%) - With at Least One Stop within Region - "Regional Trucks"	
Freight trucked to a warehouse, an intermodal facility and then loaded onto a train (12%) Freight trucked to warehouse, then trucked to a final destination outside of the region (13%)	• Accelerate emission reduction measures in CAAP, AQMD, and state plans • Use clean technology shuttle to inland ports • Use low emission train engines or electrification • Coordinate community impact mitigation and land use planning • Adopt incentive programs for turnover of truck fleet to clean technology
Local freight moves within Southern California (~23%) – Multiple Stops within Region – "Local Trucks"	
Freight trucked to numerous locations within the region	• Accelerate emission reduction measures in CAAP, AQMD, and state plans • Continue project-specific impact analysis and mitigation measures



Action Plan Framework

ACTION 2 - Relieve Congestion and Increase Mobility	ACTION 3 - Improve Operational Efficiency	ACTION 4 – Develop Equitable Public/ Private Funding Strategy
• Construct rail mainline capacity improvements • Construct Colton Crossing • Use clean technology shuttle to intermodal facilities	• Increase on-dock loading • Expand hours of port operation (PIERPASS) and intermodal terminals operation	• Railroad (private) funding and public funding proportional to benefit • User fees (e.g., container fees) • Increase federal participation
• Construct highway capacity improvements • Study feasibility of dedicated freight guideway(s) • Use clean technology shuttle to inland ports	• Adopt flexible hours of operation (warehouse/ distribution centers) • Study feasibility of virtual container yards • Expand use and integration of Intelligent Transportation Systems for highways and vehicles	• Railroad funding and public funding proportional to benefit • Traditional highway funding • Possible truck tolling on dedicated failities • Container fees • Increase federal and state participation • Conditions of approval and development fees for community mitigation
• Construct highway capacity improvements • Study dedicated freight guideway(s) on freeways and roadways	• Adopt flexible hours of operation (delivery) • Expand use and integration of Intelligent Transportation Systems for highways and vehicles • Alleviate physical factors and conditions that may constrain operations of trucks(ie. lane widths, vertical and horizontal constraints and curvature, shoulders, pavement)	• Traditional highway funding • Possible truck tolling on dedicated facilities • Conditions of approval and development fees for community mitigation

Accelerate Environmental Mitigation | ACTION SET 1



Goods movement imposes significant costs on community livability and the environment. Therefore, the MCGMAP partners consider air quality improvements and regional environmental mitigation an intrinsic part of a regional goods movement system.

The Action Plan recognizes that a regional approach is necessary, with the focus on cleaning up emissions at the source (i.e. the powertrains of ships, locomotives, trucks, and harbor equipment) not one based simply on project-by-project mitigation. The simultaneous and continuous implementation of environmental mitigation strategies is a leading imperative for this Action Plan and will require action at two levels: 1) Region-wide approaches; and 2) project-specific mitigation measures.

Region-wide Approaches

A systems approach is required to reduce the air quality, community and environmental impacts of goods movement flowing into and through the region. This approach has three components - acceleration of the funding and implementation of air quality plans already prepared, strengthening of fuel and engine standards, and institutional policies.

- ***Acceleration of funding and implementation of air quality plans*** - Some of the nation's most aggressive clean air improvement plans are now in place in Southern California: the San Pedro Bay Ports Clean Air Action Plan (CAAP), the 2007 South Coast Air Quality Management Plan (AQMP), and the California Air Resources Board (CARB) Emission Reduction Plan. The MCGMAP supports these plans and proposes to accelerate the implementation of the strategies in those plans. Accelerating the environmental cleanup from goods movement sources is one of the principle themes of the environmental actions in the MCGMAP.
- ***Strengthening of fuel and engine standards*** - Regulations that promote the use of clean fuels and engine standards/technologies should be strengthened beyond those currently proposed. This will need to be supported by accelerated research and development of cleaner technologies by private industry, and by implementation assistance from state and federal regulatory agencies. These actions by private industry and regulatory agencies will allow regional and local strategies and incentive programs in the CAAP and AQMD to have greater effect.
- ***Institutional policies*** - Cooperative and coordinated institutional and development policies enacted by local jurisdictions and the development industry could result in environmental and community benefits. Such policies could include: 1) Designating quiet zones for rail corridors; 2) amending zoning and land use regulations to better avoid non-compatible land uses (separating goods movement activities from residential areas; buffering); and 3) establishing mitigation banking and/or development of pooled funds for mitigation (e.g., land use changes, purchasing green space along freight corridors, diesel truck retrofits, funds for health clinics, etc.). The partner agencies have embarked on a collaborative effort with community stakeholders and the private sector to develop such guidelines (see first bullet under specific actions).

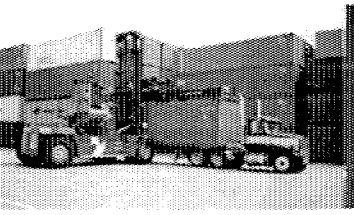
Project Specific Mitigation Measures.

While the proposed broader regional strategies will result in significant reductions in emissions for the study area as a whole, project specific mitigation measures are often most effective at the local level, resulting in more tangible benefits for local neighborhoods and communities. Therefore, the Action Plan supports the use of project-specific revenue mechanisms to help fund mitigation efforts. Examples include:

- Use of best available technology and best practices for project construction and operational impacts.
- Compliance with natural resource statutes (e.g., federal and state Endangered Species Acts and Clean Water Acts, Migratory Bird Treaty Act)
- Inclusion of "smart" design and good planning principles, such as landscaped buffering, noise barriers, exterior light shielding and positioning, separation of incompatible land uses, and wetlands protection.

SPECIFIC ACTIONS

- Develop guidelines for local jurisdictions to use in siting and designing goods movement related land uses and transportation facilities. (Consultant activity is underway)
- Encourage federal participation in developing guidelines and international agreements that regulate vessels (and other stationary sources of diesel emissions) used for transporting goods to and through U.S. ports.
- Support clean lease arrangements made by the ports for reducing ship emissions.
- Initiate a follow-on effort to identify more aggressive goods movement initiatives to achieve regional air quality attainment, including the identification of sources of funding to accelerate the environmental cleanup.



ACTION SET 2 | Relieve Congestion and Improve Mobility

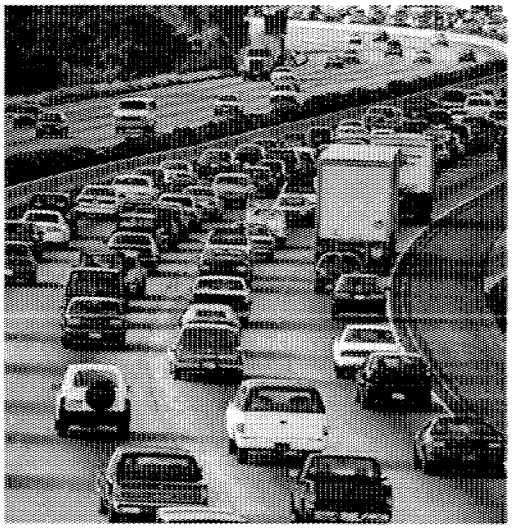
Region-wide congestion relief and increased mobility cannot be achieved without significant investment in infrastructure, coupled with improvements in efficiency and productivity. Utilizing the market segmentation approach, various crucial capital improvements were identified for each of the modes involved in the movement of goods.

Increased Intermodal and Mainline Rail Capacity

Increases in mainline rail capacity and on-dock rail improvements at the ports are critical to the efficient transport of intermodal freight bound for destinations outside the region. The Action Plan recommends implementation of rail improvements in accordance with the San Pedro Bay Ports Master Plans as well as triple tracking the BNSF mainline from Los Angeles to San Bernardino and double tracking the two Union Pacific corridors. These improvements must be done in concert with the grade separations and safety improvements outlined in the multi-county Alameda Corridor East (ACE) Trade Corridor program. Implementing the mainline rail capacity enhancements together with the grade separation of railroad crossings can maximize efficiency and cost-effectiveness while also providing an opportunity to maximize funding from federal and state sources and accelerate the delivery of the needed improvements. Grade separation of the rail-to-rail Colton crossing as well as other rail-roadway grade separations near the the Ports of Los Angeles, Long Beach, Hueneme, and San Diego, and at other key Los Angeles County locations are also critical.

Improved Highways/Roadways

The Plan recommends three tiers of highway actions. The **Tier one** includes major improvements on roadways and bridges in proximity to the ports/border crossings and other major freight activity centers (examples include the Gerald Desmond Bridge replacement project, the SR-47 Expressway, I-110 connectors, High Desert Corridor, SR-78 Brawley Bypass, and the San Diego Border Corridors). **Tier two** is comprised of corridor-level investigation of alternative technologies, separated mass flow applications (e.g., the I-710 Corridor Improvements) as well as dedicated freight guideways/truck lanes with the use of clean engine trucks and/or clean Long Combination Vehicles (LCVs), if such vehicles could be authorized to operate on dedicated facilities in California safely with minimal impacts on surrounding communities. Further consideration of LCVs will require a detailed analysis of potential capital and operational impacts. This tier focuses on new technologies as well as new application of methods not widely used in California. Consequently, these projects will require additional detailed analysis before they can proceed. **Tier three** projects encompass capital and operational improvements that in addition to assisting with the efficient movement of goods, are also beneficial to mixed flow traffic. Such improvements include modification of key freeway-to-freeway interchanges to alleviate operational and geometric bottlenecks, addition of auxiliary lanes, shoulder improvements and other safety and operational improvements on roadways heavily used by trucks.



SPECIFIC ACTIONS

- Complete the ACE Trade Corridor railroad grade crossing improvement program in Los Angeles, Orange, Riverside, and San Bernardino Counties.
- Continue with analysis and planning of I-710 dedicated freight guideway facility.
- Further investigate the feasibility of inland port / concentrate inland warehouse and distribution locations.
- Increase border trade capacity and efficiency.
- Implement key projects listed in the regional and county-specific Tables 5 and 6.
- Participate with the railroads in eliminating key bottlenecks and increasing capacity along the mainline rail system as outlined in the Los Angeles-Inland Empire Railroad Mainline Advanced Planning Study.
- Develop the appropriate institutional arrangements and negotiating framework to provide simultaneous and continuous improvement to mainline track improvements, the Colton Crossing grade separation, highway-rail grade separations, locomotive emission reductions, and other rail corridor related mitigations.
- Initiate a Regionally Significant Transportation Investment Study (RSTIS) to evaluate the feasibility of implementing a Dedicated Freight Guideway System/Regional Truck Lanes (I-710 From Port of Long Beach to SR-60; East-West Corridor between the I-710 and to I-15; and I-15 to Victorville) inclusive of potential non-freeway implementation.

Improve Operational Efficiency | ACTION SET 3

Any comprehensive strategy to address mobility, improve predictability and enhance safety needs to address system and corridor capacity. This includes improvements to the operational efficiency of the region's goods movement system. The operational efficiency of various segments of the goods movement system can be improved based on specific modal market segments.

Improve Marine Terminal Productivity, Truck Turn Times, and Intermodal Operations

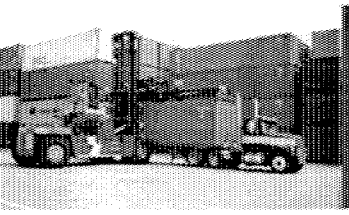
In order to meet the future demand, the Ports of Los Angeles and Long Beach will increase their operational productivity from the existing level of 4,700 TEUs per acre per year to almost 11,000 TEUs per acre per year. The current focus is on increasing on-dock rail use and extending hours of operation to off-peak time periods (PIERPASS). Additional strategies include the transport of unsorted containers from the ports to inland railyards separated from residential areas for the creation of destination trains, as well as introducing new technologies such as optical character recognition (OCR) and radio frequency identification tags (RFID), and the evaluation of the feasibility of a virtual container yard to reduce the number of unproductive empty container truck trips.

Improve Highway Operations

Increased implementation of Intelligent Transportation Systems (ITS), weigh-in-motion (WIM) systems, highway pricing such as Open Road Tolling (ORT) collection systems, improved incident management, and enforcement of driver and operating restrictions can improve highway operations. ITS solutions allow for truck routing, traffic control during construction or maintenance, as well as the shifting of truck movement to off-peak times. WIM bypass systems are an effective means of traffic management in the proximity of weigh stations. The system helps maintain normal traffic flow and prevents traffic backup onto the mainline freeway resulting from commercial vehicles entering and exiting weigh stations. Open Road Tolling allows users to travel at highway speeds on the mainline while their tolls are collected electronically overhead, reducing congestion and travel times for passenger and commercial vehicles. California has established a statewide standard for use at all toll roads and bridges utilizing the "FasTrak" device.

SPECIFIC ACTIONS:

- Implement efficiency improvements contained in the San Pedro Bay Ports Master Plans that reduce impacts from trucks and containers on the transportation system and community.
- Improve terminal productivity, truck turn times, and inter-modal operations.
- Implement the highway operational improvements listed in Table 6.
- Develop partnerships between public and private entities to research and develop advances in goods movement transportation technologies.



ACTION SET 4 | Develop Equitable Public/ Private Funding Strategy

Funding and implementation of the recommended actions, projects, and programs and their associated mitigations will require a coordinated effort by the private sector and public sector at all levels of government. It is critical that all beneficiaries of goods movement participate in funding infrastructure improvements as well as environmental mitigation. Beyond its value to the regional economy, the existing border crossings and commercial trade with Mexico are also critical to the regional and bi-national economies. Cross-border goods have origins and destinations to California/regional retail markets and manufacturers to shipping beyond California through the San Pedro Bay Ports and the Inland Empire Rail/Intermodal distribution centers.

To illustrate the shortfall in public funding, the Alameda Corridor-East Trade Corridor, which would provide much needed grade-separation projects to reduce congestion and emissions throughout the region, has an 83% funding shortfall - $3.8 billion out of the $4.4 billion total.

Maximize the Study Area's Fair Share of State and Federal Funds

Federal assistance is essential to compensate for the disproportionate local and regional costs for the goods movement infrastructure (and associated regional environmental and community impacts and necessary mitigations) provided to the rest of the nation. The next national transportation funding reauthorization legislation must recognize the importance of funding a national goods movement system, establish appropriate levels of federal funding support, and provide further opportunity for flexibility in the use of federal funds. The four freight-related programs of key relevance are 1) Projects of National and Regional Significance, 2) National Corridor Infrastructure Improvement Program, 3) Freight Intermodal Distribution Pilot Program, and 4) Truck Parking Facilities Program. Though state and federal funds are needed, any funding for private infrastructure to increase capacity and facilitate the throughput of goods must ensure that public dollars are used in return for public benefits, not merely for benefits to the private logistics system. The development of public-private benefit assessments among the private beneficiaries and public agencies is one method to address this issue.

Private Sector Contribution

Recognizing funding shortfalls for infrastructure projects and the fact that private industry benefits from an improved goods movement system, the MCGMAP recommends efforts to secure private revenue sources including user fees. This could be done through pending legislative efforts or by other means such as ongoing efforts by the San Pedro Bay ports to negotiate cargo fees for infrastructure and environmental mitigation projects. The types of user fees that should be considered include congestion pricing, port-assessed cargo or container fees, industry-supported programs similar to PIERPASS, and VMT-based taxes or gas taxes for trucks. The Action Plan addresses the need to convert the value of improvements to the study area's goods movement system into revenue for improving infrastructure and mitigating impacts. Federal and state funds require local/private matching funds, thus private sector contributions will add strength to applications for leveraging federal and state funds.

Stakeholders in San Diego and Baja California, Mexico are investigating the potential for use of public funds together with private financing and toll fees for a new border crossing, highways, and federal inspection staffing at Otay Mesa East, California / Mesa de Otay II, Baja California. Similar pursuits for new border crossings or expansions are also projected along the Imperial County, California / Mexicali, Baja California border.

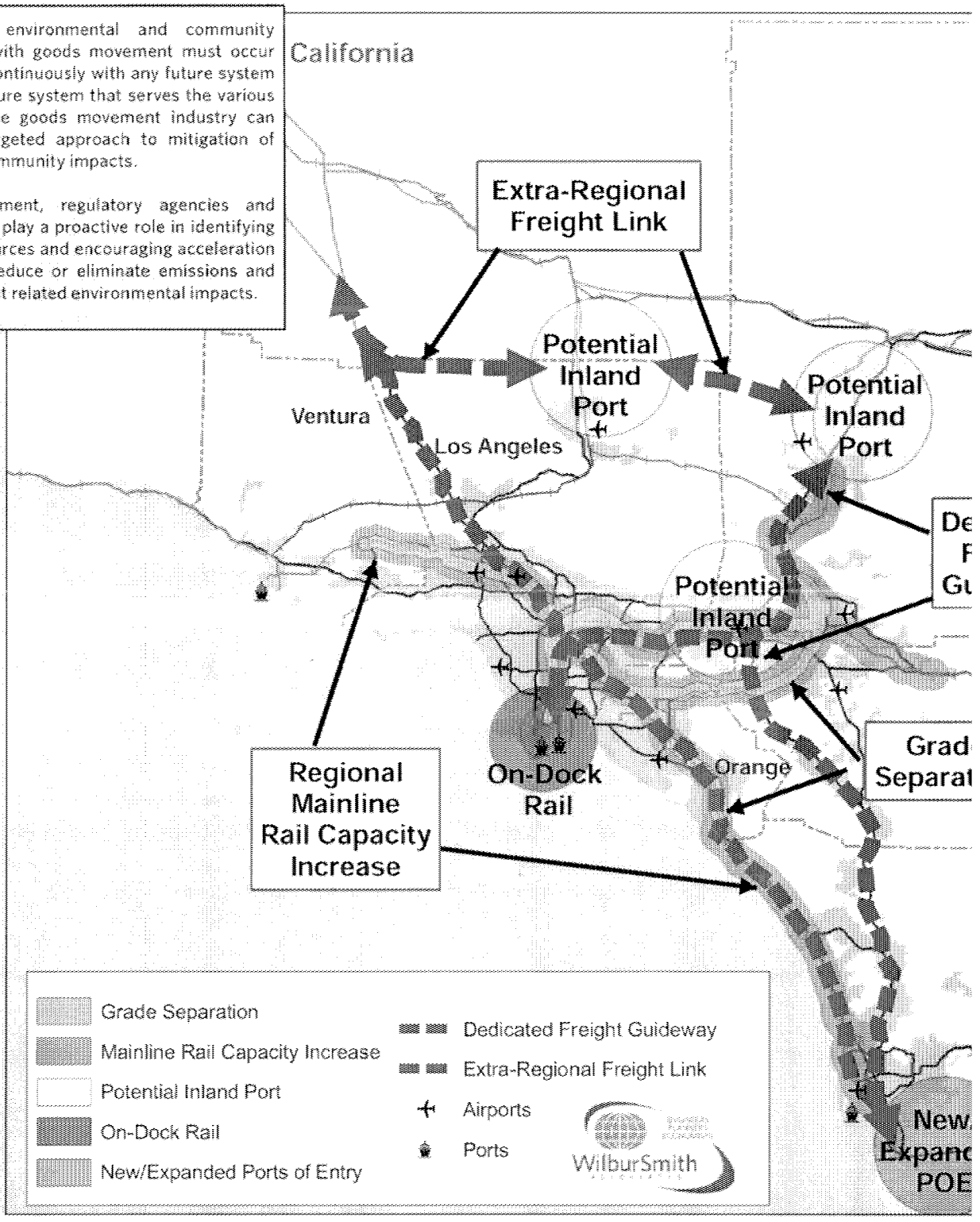
SPECIFIC ACTIONS

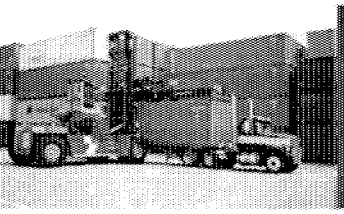
- Maximize Southern California's fair share of state and federal funds through ongoing and coordinated legislative efforts.
- Provide input to legislation focused on user fees and to any ongoing efforts to negotiate user fees with industry that can be included in a specific plan of finance for goods movement and air quality improvements.
- Pursue public-private funding arrangements for specific facilities, where appropriate .
- Implement the Cooperation Agreement among regional, state, and federal agencies to facilitate the actions contained in the MCGMAP.
- Develop structure for managing user fees and revenues for goods movement infrastructure and community/environmental mitigation projects.

Figure 6: Map of Potential Future System

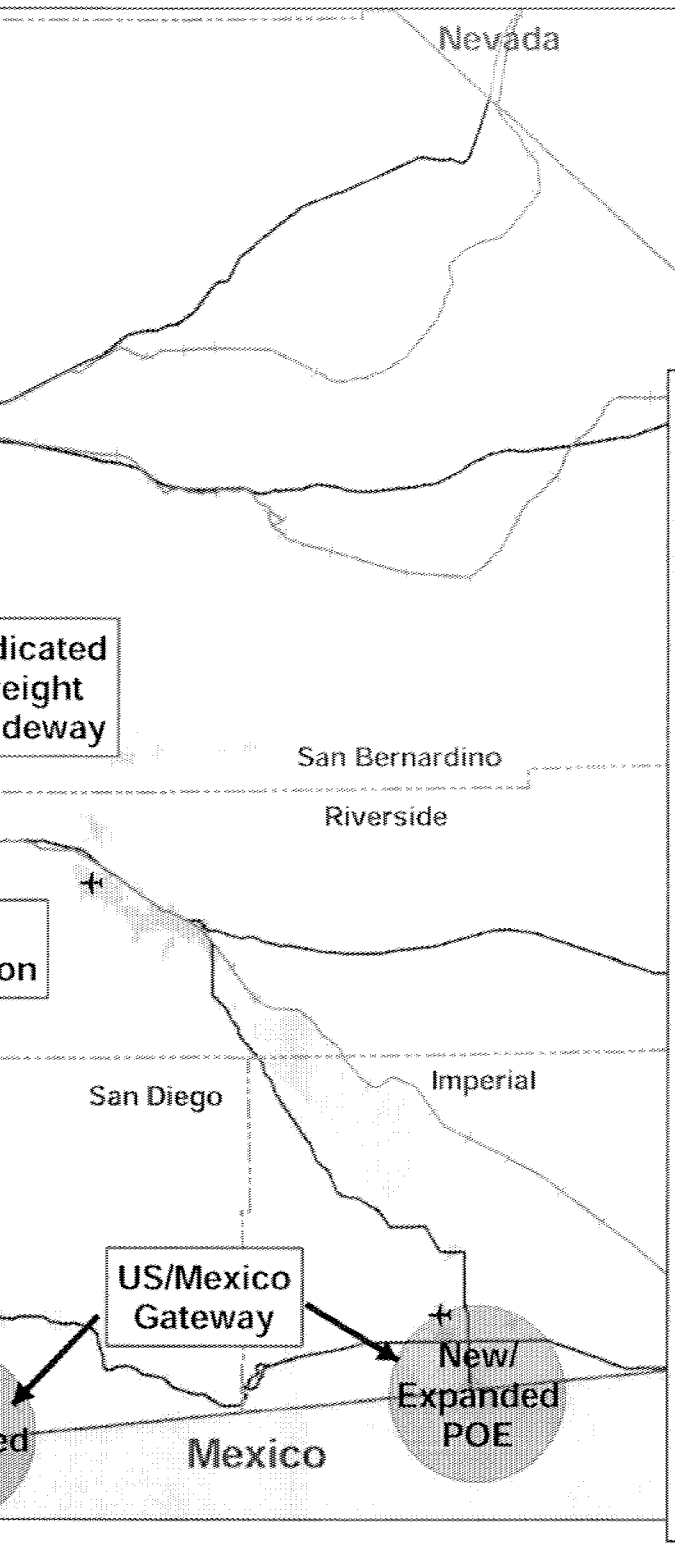
The mitigation of environmental and community impacts associated with goods movement must occur simultaneously and continuously with any future system improvements. A future system that serves the various modal markets of the goods movement industry can provide a more targeted approach to mitigation of environmental and community impacts.

The federal government, regulatory agencies and private industry must play a proactive role in identifying dedicated funding sources and encouraging acceleration of innovations that reduce or eliminate emissions and other goods movement related environmental impacts.





Potential Future System



Potential Future Goods Movement System

The future system will consist of a series of integral components designed to innovate the way goods are currently moved through the region.

Maximize Regional Intermodal Rail Traffic

On-Dock Rail Facilities - Fully maximize the use of on-dock rail facilities to reduce the impact of local truck drayage on congestion and emissions. Near dock and off-dock intermodal facilities will also be expanded to reduce truck traffic.

Regional Mainline Rail Capacity - Continued growth in mainline rail capacity throughout the region will increase passenger rail services as well as freight rail service to compete with trucking.

Minimize and Accommodate Regional Truck Traffic

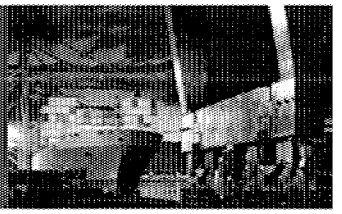
High Priority Freight Corridors - Develop freight corridors and improve access to better connect the San Pedro Bay ports, the Inland Empire region, and the California/Mexico border. The freight corridor and border access improvements generally follow the key north-south and east-west corridors of I-5, I-710, SR-60, I-10 and I-15, to more efficiently accommodate regional truck traffic to and from the international ports of entry and distribution centers. The High Desert Corridor connecting I-5 and I-15 generally along SR-138 will help accommodate increasing truck traffic by avoiding the congestion through the urbanized Los Angeles region.

Dedicated Freight Guideways - Develop Dedicated facilities to accommodate existing and future regional truck traffic, and minimize the impact on local communities and the environment. Utilize new modes that eliminate or lessen emissions and/or rely on alternative energy sources.

Inland Ports and Freight Staging Areas - Promote dedicated staging facilities to attract regional truck traffic volumes to use the dedicated freight guideways. Staging facilities are an important interchange between local delivery vehicles and vehicles used on the dedicated freight guideway system. Staging facilities are also a critical node for attracting warehouse and distribution facilities and preventing ad-hoc location throughout neighborhoods and communities, which help prevent land use conflicts.

Land Use Policies - Strengthen land use guidelines and policies to minimize impact of warehouse and distribution development on communities and neighborhoods, and to conserve natural and agricultural lands.

Stakeholder Outreach



This section summarizes the stakeholder outreach efforts of the MCGMAP project, which occurred throughout the development of the Action Plan. The purpose of these outreach activities was to gather comments and input on the Draft Action Plan. Written and oral comments/questions about the Draft Action Plan along with topical responses are included in Appendix C of the Final Action Plan.

Stakeholder participation was an essential component throughout the development of the MCGMAP. In doing so, the project partners attempted to reach as broad a cross-section of stakeholders as possible through the following outreach mediums:

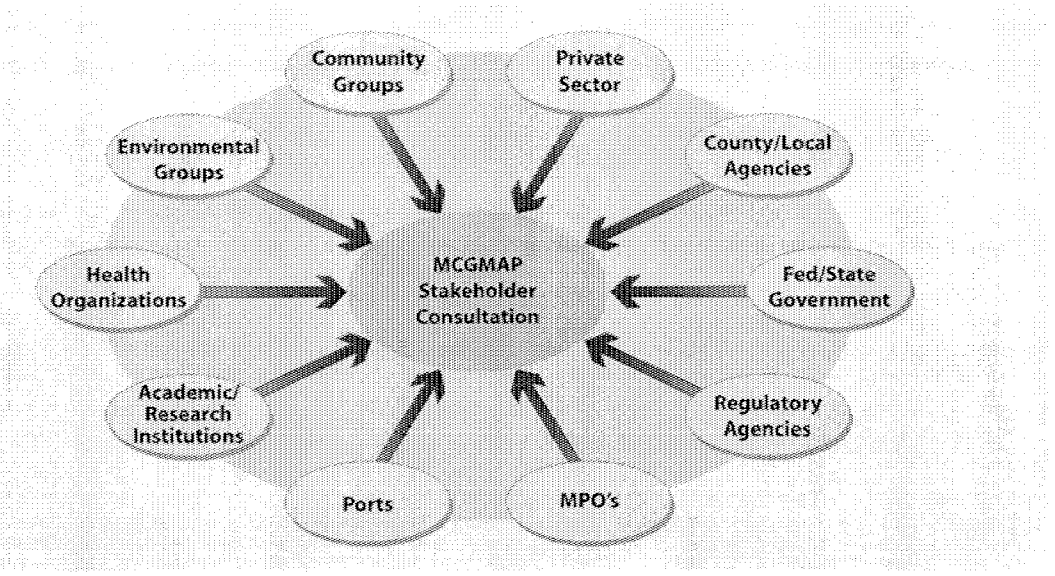
- Project Website;
- Seven (7) Stakeholder Advisory Group (SAG) Meetings;
- Two (2) Public Surveys;
- Presentations to boards, committees and organizations; and
- Twelve (12) Public workshops.

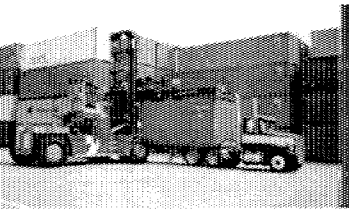
Two survey instruments were utilized and a project website (http://www.metro.net/mcgmap) was established to inform and engage stakeholders. Meetings and workshops were convened to gather input and share findings. The Stakeholder Advisory Group meetings were an important mechanism through which key stakeholders across region were informed and had an opportunity to vocalize concerns to the MCGMAP planners. Representatives from community advocacy and health organizations, air quality regulatory agencies, the ports, the trucking and railroad industries and other transportation agencies at all levels of government were invited to participate in the Stakeholder Advisory Group (SAG) meetings. Additionally, smaller one-on-one meetings were held with many of these groups to confirm data and obtain their individual perspectives on issues related to goods movement. Stakeholder Advisory Group meetings and county workshops provided a forum for stakeholders to comment on the content of the action plan and to express concerns about the impact on local communities, air quality, the environment and the transportation system.

In general, the stakeholders support a coordinated effort among the agencies and stakeholders to solve goods movement challenges facing the region. Stakeholders expressed the following specific concerns:

- Having more aggressive environmental mitigation strategies to reduce current levels of goods movement impacts before any new infrastructure projects are built;
- Dedicating new private/public funding sources to reduce health and environmental impacts of goods movement in the region;
- Providing for more aggressive use of alternative fuels and alternative technologies to address goods movement impacts;
- Questioning whether we need to meet unlimited goods movement demand - all costs and benefits should be studied first; and
- Considering placement of limits on trade growth and diverting it to other ports and instead investing in clean industries as a more cost-effective approach.

Some stakeholders indicated that regional environmental and community impacts must be addressed and mitigated to a level beyond existing air quality attainment goals. However, the authority to increase air quality attainment goals rests with regulatory agencies such as the SCAQMD and CARB, not the MCGMAP partner agencies. For more information, please see Chapter 2 - Stakeholder Outreach in the Action Plan.





Analysis Approach

This section briefly describes the approach to evaluating goods movement projects and strategies. This approach included an analysis of three Port of Los Angeles/Long Beach container volume growth and two levels of infrastructure investment scenarios, a qualitative evaluation of goods movement projects/strategies, and a detailed analysis of twelve bundles of projects, including regional truck lanes.

Analysis of growth scenarios

Four scenarios encompassing three levels of Port of Los Angeles/Long Beach container volume growth and two levels of infrastructure investment were analyzed to determine their economic impact. Table 3 provides a summary of the employment impacts of each scenario. In addition, an attempt was made to estimate the regional mobility impacts of the four scenarios; however, due to data limitations, the regional transportation demand model does not adequately project the linkage between regional truck trips and port container volumes. Consequently, the model could only be used for scenarios 1 and 4.

Table 3: MCGMAP Freight Growth Scenarios

Scenario	Assumptions	2030 Employment impact (number of jobs)	Change relative to Scenario 1
1	San Pedro Bay port growth of 42.5 million TEUs by 2030; SCAG 2004 Regional Transportation Plan baseline implementation	1,601,476	-
2	San Pedro Bay port growth of 24 million TEUs by 2030; SCAG 2004 Regional Transportation Plan baseline implementation	1,013,101	-36.7%
3	San Pedro Bay port growth of 33 million TEUs by 2030; SCAG 2004 Regional Transportation Plan baseline implementation	1,303,490	-18.6%
4	San Pedro Bay port growth of 42.5 million TEUs by 2030; SCAG 2004 Regional Transportation Plan baseline implementation supplemented by additional projects and private investment sources and fees	1,601,476	0.0%

Evaluation of goods movement strategies

A qualitative evaluation of goods movement projects/strategies was also conducted. This analysis grouped a comprehensive list of 249 projects/strategies (the complete list is included in the Action Plan) into 15 categories of projects ranging from increased highway and rail capacity to changes in operational and institutional practices. The 15 categories of projects were then qualitatively evaluated using 26 evaluation criteria. For more detailed information on this analysis, please refer to Technical Memorandum 6A. In addition, 12 bundles of potential freight improvements including nine dedicated truck lane bundles (bundles 2 through 9) and one dedicated freight guideway were modeled using the SCAG Travel Demand Forecasting model. The model was used to quantify truck volumes using the region's highway network and estimate the number of daily hours of delay reduced for both autos and trucks. Furthermore, for each bundle the potential cost (which was kept at a constant per mile basis), the number of warehouse acres in proximity to each corridor, the number of schools within 1/3 mile of each bundle, and the number of residential acres within 1/2 mile of each bundle was calculated. Results from this analysis are summarized in Table 4.

When interpreting the analysis in Table 4, please note the following:

- Due to the limitations of the analytical tools available, all bundles were modeled using a container forecast volume of 42.5 million TEUs by 2030.
- All analyses were completed from a regional perspective. Analyses were completed with the understanding that further future detailed corridor-specific analyses would be required prior to project implementation. Future detailed analysis should quantify factors not included as part of this effort, such as design, right-of-way considerations including number of displaced properties, impact on commercial properties adjacent to corridors, etc.
- The macro-level analysis of dedicated truck lane systems, advanced technology and other bundles rendered preliminary information that also warrants further investigation and outreach to affected communities to be conclusive.

Further information about the scenarios, project bundles and other model criteria and findings can be found in Chapter 6 of the Action Plan and the technical appendices.

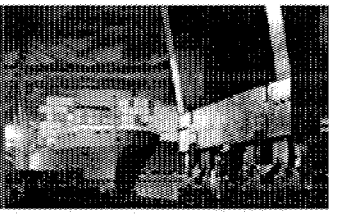
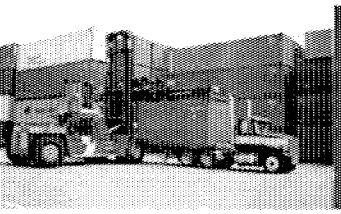


Table 4: MCGMAP Bundle Analysis Results

Bundle	Description	Distance (mi)	Reduction of Daily Hours of Delay (vs. 2030 Baseline)		Schools*	Residential* (Acres)	Warehouse* (Acres)
			Autos	Trucks			
1	Operational and safety improvements	N/A	-42,000	-1,000	N/A	N/A	N/A
2	I-710 to SR-60 to I-15	101.5	203,000	78,000	35	9,933	6,290
3	I-710 to I-10 to I-15	98.7	289,000	83,000	60	11,329	3,135
4	I-710 to SR-91 to I-15	87.5	192,000	87,000	48	8,684	4,716
5	I-710 to I-10 (WB) / SR-60 (EB) to I-15	100.1	252,000	81,000	77	16,702	6,767
6	I-710 to SR-91 to SR-57 to SR-60 to I-15	110	207,000	76,000	41	10,533	5,057
7	I-710 to SR-91 to I-605 to I-10 to I-15	96.1	273,000	83,000	57	11,177	2,691
8	I-5 (I-710 to Kern County)	74.6	347,000	89,000	31	4,979	579
9	I-5 (U.S./Mexico Border to Kern County)	204.6	112,000	122,000	78	12,806	3,054
10	Mixed-flow toll express-ways: I-710 > SR-60 > I-15	101.5	225,000	32,000	35	9,933	6,290
11	Alternative technologies (e.g. Shuttle Trains, Mag-lev) between POLA/POLB and inland destinations	N/A	98,000	23,000	N/A	N/A	N/A
12	I-15 (U.S./Mexico Border to Victorville)	161.7	185,000	76,000	23	5,500	3,151

Note: *Data does not include San Diego County information.



Project Descriptions and Lists

Project Identification Process

In support of the actions and vision, and market segmentation approach, the partner agencies identified a regional and county specific list of projects or strategies, presented in **Tables 5 and 6**. Many of these projects can be implemented in the short-term while others require additional planning and project development. The projects on these lists are considered essential; neither list should be viewed as taking precedence over the other but rather as complementary efforts to address the effects of goods movement in the region. Given the multi-county nature of this study, the majority of the regional and county Goods Movement Projects/Strategies will require coordination among the multi-county partners and stakeholders.

Table 5, the "Regional Goods Movement Projects/Strategies" represents a short-term to long-term vision for improving the system with primary focus on region-wide projects that provide environmental mitigation or ground access (rail, highway, and intermodal) improvements to and from the international gateways and the multi-county goods movement distribution centers and corridors (existing and proposed) within the Southern California region, (i.e., the San Pedro Bay Ports, the Port of Hueneme, Inland Empire Rail/Intermodal Facilities, the Alameda Corridor and the California/Mexico Ports of Entry). This system is also graphically depicted and further described in Pages 18 and 19.

Table 6, the "County-Specific Goods Movement System Projects/Strategies" includes improvements that are located within a single county and connect with the regional goods movement system of corridors and distribution centers and the statewide goods movement system as identified by Caltrans. Table 6 comprises a list of efforts that: 1) Support the regional projects in Table 5; 2) mitigate environmental and/or community impacts in a shorter horizon; 3) correct short-term system deficiencies; and 4) are recommended in advance or in conjunction with the regional projects based on local needs and project readiness. The County-Specific list, in essence, fills critical gaps in the goods movement network.

As can be seen in the two project lists, an investment of over $50 Billion over the next 25 years is necessary to accommodate the projected growth of freight within the region and to mitigate related impacts. This will require funding commitments from all levels of government as well as the private sector. In addition to this list, a series of actions focused on reducing congestion and environmental impacts are identified in the Action Plan. Each of the County chapters also contains additional projects, strategies and vision for localized improvements identified for future implementation.

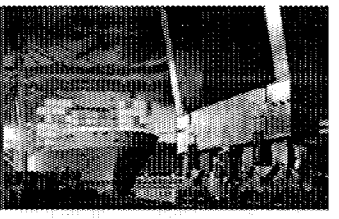
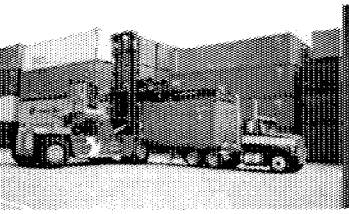


Table 5: MCGMAP Preliminary Regional Goods Movement Projects/Strategies

(REGIONAL AND COUNTY-SPECIFIC LISTS ARE BOTH CONSIDERED TO BE OF EQUAL PRIORITY IN MCGMAP. MODES AND PROJECTS ARE NOT LISTED IN PRIORITY ORDER. ALL PROJECTS WILL REQUIRE FURTHER STUDY PRIOR TO IMPLEMENTATION UNLESS ALREADY COMPLETED.)

Environmental mitigation or Mode/System	*Description*	*2007 Cost[1]* (in millions)	*Committed Funds*	*Time-frame[2]*
Regional and project specific mitigation and emissions reduction	• Implementation of Goods Movement Infrastructure Projects Could Require Mitigation of Project Specific Impacts	TBD	TBD	S, M, L
	• San Pedro Bay Ports Clean Air Action Plan	$2,067	$464	S
	• Other Goods Movement Emission Reduction Plans and Identified Needs	TBD	TBD	S, M
RAIL				
Grade Separations	• Alameda Corridor East (ACE) Grade Separations and Grade Crossings Improvements	$4,510	$961	S, M
	ACE County subtotals:			
	•Los Angeles County - San Gabriel Valley	*$1,891*	*$343*	*S, M*
	•Orange County	*$731*	*$115*	*S, M*
	•Riverside County	*$1,048*	*$257*	*S, M*
	•San Bernardino County	*$840*	*$168*	*S, M*
	• Gateway Cities BNSF Mainline Grade Separations (on ACE list)	$196	$78	S, M
Mainline capacity enhancements	• Rail Capacity Improvements (e.g., double and triple tracking; Colton Crossing)[3]	$2,200	$0	S, M
Regional Freight Links	• Reconnect Santa Paula Branch Rail Line	$450	$0	M
INTERMODAL GROUND ACCESS				
On Dock Rail	• San Pedro Bay Ports Rail Systems	$631	TBD	S, M
Intermodal Yards/Facilities	• Ports of Los Angeles/Long Beach Union Pacific Intermodal Container Transfer Facility Modernization[4]	$300	$0	S
	• BNSF Port of Los Angeles/Long Beach Near Dock Facility (Southern California International Gateway - SCIG)[4]	$300	$0	S
Inland port	• Further investigation of Inland Port Strategy	TBD	$0	M
ALTERNATIVE TECHNOLOGY				
Truck Lanes/Dedicated Freight Guideway System	• Dedicated Freight Guideway System/Regional Truck Lanes (I-710 From Port of Long Beach to SR-60; East-West Corridor between the I-710 and I-15; and I-15 to Victorville) inclusive of non-freeway corridors	$18,268	$35	M, L
FREEWAY/HIGHWAY				
Freight Corridor Capacity Enhancement and Operational Improvements	• High Desert Corridor[5] (SR-14 to I-15)	$5,600	$0	M, L
	• Alameda Corridor SR-47 Expressway	$662	$265	S
	• SR-60/I-10 Truck Climbing Lane	$55.3	$0	S
	• Replace/Reconstruct Gerald Desmond Bridge	$800	$337	S
	• I-710 Early Action Projects - City of Long Beach (3 Projects)	$500	$12	S
	• I-5 Truck Lanes Projects - North Los Angeles County (2 Projects)	$392	$12	S, M
	• SR-86 NAFTA Corridor Interchange Construction	$150	$0	M
	• SR-58 Corridor Widening Projects (2 Projects)	$301	$0	M, M
Border Crossing Improvements	• Access Improvements to the California/Mexico Ports of Entry at Otay Mesa, Otay Mesa East, and Calexico East Projects (3 Projects)	$1,699	$524	S
		Total	***$39,081.3***	***$2,610***

Notes: 1. All figures include environmental mitigation costs.
2. S=Short-term (2007-2015); M=Mid-term (2015-2025); L=Long-term (post 2025).
3. Project must demonstrate regional public benefit to qualify for public funds.
4. Private sector fund sources.
5. Require further analysis west of US-395, private sector primary fund source, with possible exception of short-term project to construct section between Phantom East and I-15 ($350 million)



Project Descriptions and Lists

Table 6: MCGMAP Preliminary County Goods Movement System Improvements

(REGIONAL AND COUNTY-SPECIFIC LISTS ARE BOTH CONSIDERED TO BE OF EQUAL PRIORITY IN MCGMAP. MODES AND PROJECTS ARE NOT LISTED IN PRIORITY ORDER. ALL PROJECTS WILL REQUIRE FURTHER STUDY PRIOR TO IMPLEMENTATION UNLESS ALREADY COMPLETED.)

Mode/System	County	Description	2007 Cost[1] (in millions)	Time-frame[2]
RAIL				
Grade Separations	VEN	• Construct Rice Avenue/UP Grade Separation	$45	TBD
	VEN	• Construct Rose Avenue/UP Grade Separation	$45	TBD
	VEN	• SR-118/Coast Line - Construct Grade Separation	TBD	TBD
	LA	• Nogales Street (LA Subdivision) grade separation project	$29	S
	OR	• LOSSAN Corridor Grade Seperations	$655	L
Mainline Capacity Enhancement	LA	• Relief siding (2 projects) and upgrade sidings (1 project) on the Antelope Valley Line	$15	S
	SD	• Construct Coastal Rail Corridor	$1,350	S,M
	SD	• Construct South Line Rail/Trolley	$328	S,M
INTERMODAL GROUND ACCESS				
Intermodal Yards/ Facilities	SBD	• Build New BNSF Intermodal Yard in Victorville	TBD	TBD
Maritime	LA	• Shuttle Train Intermodal Service to Inland Empire; Inland Terminal	$60	TBD
	SD	• San Diego Port District Marine Terminal Ground Access	$822	S, M
ALTERNATIVE TECHNOLOGY				
ITS Applications	LA	• San Pedro ATSAC System in City of Los Angeles	$6	TBD
	LA	• Wilmington ATSAC System in City of Los Angeles	$7	TBD
	LA	• Transportation Management, Information and Security System	$10	TBD
FREEWAY/HIGHWAY				
Freight Corridor Capacity Enhancement and Operational Improvements	VEN	• Reconstruct US 101/Rice Avenue IC	$75	M
	LA	• Key Goods Movement Arterial Improvements	TBD	TBD
	LA	• Reconstruct SR-91/I-605 interchange	$240	S
	LA	• Reconstruct I-605/SR-60 interchange	$1,000	S
	LA	• Reconstruct I-605/I-10 interchange	$1,000	S
	LA	• Reconstruct SR-60/SR-57 interchange	$550	S
	LA	• I-110 8th/9th Street Interchange - Add Auxiliary Lanes and Modify/Reconstruct Ramps (Two Projects)	$39	TBD
	LA	• Washington Blvd. Widening and Reconstruction project	$14	S
	LA	• Alameda Street Widening and Reconstruction in Los Angeles (101 Freeway to 7th Street; I-10 to 7th Street)	$29	TBD
	LA	• Seaside Avenue/Ocean Blvd (SR-47) and Navy Way Interchange	$43	TBD
	LA	• I-110 Connector Improvement Program (4 Projects)	$134	TBD
	OR	• I-5 From the I-5/SR-22/SR-57 Interchange to SR-91 add a general purpose lane in each direction	$430	M
	OR	• I-5 Reconstruct El Toro Road Interchange	$120	S
	OR	• I-5 between SR-55 and the SR-133 (near El Toro "Y") add one general purpose lane in each direction and improve interchanges in the vicinity	$319.2	M
	OR	• I-5 between the vicinity of El Toro "Y" to near SR-73 add new lanes in each direction	$315	M

Notes: 1. All figures include environmental mitigation costs.
2. S=Short-term (2007-2015); M=Mid-term (2015-2025); L=Long-term (post 2025).

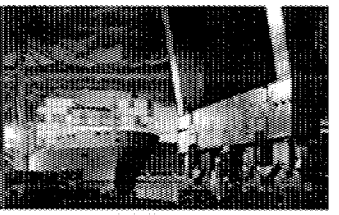
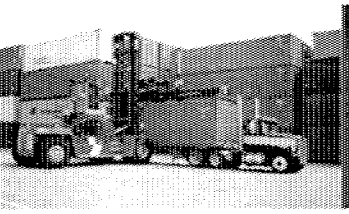


Table 6: MCGMAP Preliminary County Goods Movement System Improvements (Continued)

(REGIONAL AND COUNTY-SPECIFIC LISTS ARE BOTH CONSIDERED TO BE OF EQUAL PRIORITY IN MCGMAP. MODES AND PROJECTS ARE NOT LISTED IN PRIORITY ORDER. ALL PROJECTS WILL REQUIRE FURTHER STUDY PRIOR TO IMPLEMENTATION UNLESS ALREADY COMPLETED.)

Mode/System	County	Description	2007 Cost[1] (in millions)	Time-frame[2]
FREEWAY/HIGHWAY (Continued)				
Freight Corridor Capacity Enhancement and Operational Improvements (cont.)	OR	• I-5 Northbound Extend Existing Truck Bypass Lane From Crown Valley to El Toro Road. Add Auxiliary lane where needed.	$240	L
	OR	• I-5 Southbound From Alicia Parkway to the Crown Valley Interchange add a Lane	$411	M
	OR	• I-5 Construct new interchange at Crown Valley (Saddleback) and reconstruct interchange at Avery Parkway with collector distributor road between Crown Valley and Avery	$260	L
	OR	• SR-57 Northbound From Lambert Road to Tonner Canyon (LA County Line) interchange add truck climbing lane	$157	M
	OR	• SR-57 Northbound From Orangethorpe to Lambert Road, Add Auxiliary Lane & 5th through lane	$140	S
	OR	• SR-57 in the Northbound Direction Extend General Purpose Lane #5 Between Orangewood and SR-91 and Add Auxiliary Lane	$190.8	S
	OR	• SR-91 Westbound From SR-57 to I-5 - Add General Purpose Lane & Auxiliary Lane	$152	S
	OR	• SR-91 Westbound - Provide a General Purpose Lane from SR-55 to SR-57 and add auxiliary lane	$120	M
	OR	• SR-91 Eastbound Add a Lane Between SR-55 (Lakeview and SR-241 and Westbound From SR-241 to Imperial Highway).	$96	S
	OR	• I-405 from the I-5 to SR-55 add 1 general purpose lane in each direction	$328.9	L
	RIV	• SR-60 Construct Truck Climbing Lane through Badlands to I-10	$114	L
	RIV	• March Inland Cargo Port Airport I-215/Van Buren Blvd. Ground Access Improvement Project	$97.6	S
	RIV	• I-10/SR-60 New Interchange Construction	$100	L
	RIV	• I-215 Widening to SBD County Line	$1,400	S,M
	SBD	• I-15 Widening and Devore Interchange (at I-215) Reconstruction	$200	S
	SBD	• Interstate 10 Widening and Interchange Improvements (LA Co. Line to I-215)	$700	S
	SD	• I-5 Widen/Managed Lanes (From La Jolla Village Dr. to Vandergrift)	$962	S
	SD	• I-15 Widen/Managed Lanes & Operational Improvements (From SR-163 to SR-78)	$608	S
	SD	• I-805 Widen/Managed Lanes (From SR-905 to I-5)	$1,801	S
	SD	• San Diego International Airport Truck Access to I-5 (Truck route/ Interchange improvements)	$32	M
	SD	• Pipeline Truck Access (Petroleum Terminal) to I-15 (Truck route/ Interchange improvements)	$32	M
		Total	*$15,822.5*	

Notes: 1. All figures include environmental mitigation costs.
2. S=Short-term (2007-2015); M=Mid-term (2015-2025); L=Long-term (post 2025).



Next Steps

The MCGMAP is not an end point. Rather, it is the beginning of a more comprehensive regional approach to keep freight moving within and through the region and to reduce the environmental and community impacts caused by the movement of that freight. Going forward, stakeholders will play an integral role in the next steps in the areas of partnership and advocacy, environmental and community impacts, mobility and funding. Based on feedback from stakeholders and Action Plan recommendations, the MCGMAP project partners are committed to taking the following next steps:

Partnership and Advocacy

- Implement the Southern California National Freight Gateway (SCNFG) Cooperation Agreement among federal, state, regional, and other implementing agencies to maintain dialogue to address the challenges outlined in MCGMAP.
- Request the incorporation of MCGMAP strategies and actions into other state, regional and local plans.
- Continue to convene multi-county meetings to monitor the progress on the Action Plan and provide annual reports to the CEOs and to the boards of the partner agencies.
- Support and propose legislation that: 1) Provides funding mechanisms for goods movement projects/strategies; and 2) improves mobility and facilitates regional multi-county goods movement goals without undermining local community priorities and quality of life.
- Support groups such as Mobility 21 and the Coalition for America's Gateways and Trade Corridors in developing dedicated federal and state goods movement funding sources.
- Continue to work closely with all stakeholders including the Councils of Governments, community groups, environmental regulatory agencies and academia.
- Seek goods movement and logistics industry involvement throughout planning and project development phases.

Environmental and Community Impacts

- Through the SCNFG Cooperation Agreement and other related activities, develop a specific set of feasible actions to accelerate implementation of the strategies contained in the various air quality and emission reduction plans that are within the scope of responsibility of the project partners.
- In partnership with CARB, air districts, the logistics industry, and local governments, initiate an activity to generate public and/or private funds to accelerate implementation of air quality improvement strategies being undertaken by these and other entities. Examples may include: Container fees that provide a revenue stream to fund emissions reduction projects, impact fees paid by entities contributing to the goods-related air quality problem, supplemental transportation infrastructure project mitigation (to add to an air quality funding pool), mitigation banking, market-based strategies, and other vehicle-based fees commensurate with the impacts attributed to those vehicles.
- Continue and Complete the Environmental Justice Analysis and Outreach for the MCGMAP in Fall 2007. This effort will develop a guidebook for local jurisdictions and the private sector to use in avoiding, minimizing, and mitigating the effects of goods movement infrastructure and to assist local jurisdictions make informed land use decisions.

Mobility

- Initiate a study to investigate the linkage between industry supply chain trends and port and trade related transportation patterns and movements.
- Continue project development efforts, including planning, design, funding, and implementation, of the regional and county-specific projects listed in the Action Plan, including the mitigation of the impacts of those projects.
- Initiate a Regionally Significant Transportation Investment Study (RSTIS) to evaluate the feasibility of implementing a Dedicated Freight Guideway System/Regional Truck Lanes (I-710 From Port of Long Beach to SR-60; East-West Corridor between I-710 and I-15; and I-15 to Victorville) inclusive of potential non-freeway implementation.
- Initiate localized studies, as appropriate.

Funding

- Pursue new avenues of goods movement funding for projects, including the region's fair share of state appropriations, federal funds, and private sector contributions consistent with the impacts of the benefits they derive from the use of the transportation system.
- Continue fair share and user fee discussions with private sector stakeholders to seek their support in addressing goods movement impacts and filling funding gaps. Develop a clear and concise message on this subject and communicate this to the public, policy and funding decision makers at all levels of government.
- Establish structures to manage user fees and revenue that are acceptable to both public and private sector stakeholders.

ATTACHMENT B
TOPICAL RESPONSES AND LETTERS

TOPICAL RESPONSES TO STAKEHOLDER COMMENTS

March 17, 2008 marked the conclusion of the 30 day period for stakeholder comments on the draft Multi-County Goods Movement Action Plan ("MCGMAP" or "Action Plan"). This Attachment B contains copies of letters submitted about the Action Plan for which broad topical responses have been provided. The written comments, as well as the feedback obtained during the multi-county public workshops, reflect a variety of issues, perspectives and concerns expressed by stakeholders that are in some instances beyond the scope of this study effort. The attached letters also contain comments about issues that were not addressed in the MCGMAP and include suggestions for future study efforts. The letters and comments received will further define local priorities and the next steps needed to develop projects and requisite mitigation measures throughout the multi-county study region.

The following nine topical response categories are provided to facilitate ease in matching comments and responses:

1- Planning Processes and Community Outreach,
2- Potential Goods Movement Improvements, Strategies and Projects
3- Impacts and Mitigation
4- Rail-Related
5- Alternative Technologies for Freight
6- Funding
7- Security
8- Environmental Justice
9- Next Steps

1) Comment Summary for Planning Processes and Community Outreach Topic: there were a number of inquiries about the MCGMAP, its relationship to other regional plans and local project programming documents/processes, the role and purview of the agencies that were involved in developing the plan, and the outreach and plan approval process.

RESPONSE: The Multi-County Goods Movement Action Plan (MCGMAP or Action Plan) provides an overview of the region's goods movement challenges, the partner agencies' collective vision, and principles, recommended actions, and strategies. It also contains lists of recommended preliminary regional and county specific goods movement infrastructure improvements that are in various planning stages and in some instances controversial. Participating County Transportation Commissions and other agencies will continue with the development of projects and strategies identified in the MCGMAP. There is no priority to the projects/strategies included on the lists contained in the Action Plan for funding or any other purpose. Inclusion on any list does not imply approval of any project/strategy until public participation has concluded and environmental and other clearances are obtained from regulatory agencies.

Discussions with regional stakeholders will continue in an effort to move forward with the actions proposed in the MCGMAP. More detailed technical analyses will be completed, as recommended by the MCGMAP, in order to identify and prioritize regional goods movement projects and environmental and community mitigation measures that stretch across county and jurisdictional boundaries. Further, the MCGMAP is not intended to supplant local planning efforts. Local agencies and jurisdictions are encouraged to use the MCGMAP as a roadmap for future planning efforts. The project partners will continue to act as regional planning entities and will work with local jurisdictions to ensure that the principles and actions of the MCGMAP are implemented at all levels.

The MCGMAP partners are the transportation and planning agencies that co-managed the development of the Action Plan. These agencies include Los Angeles County Metro (Metro), Orange County Transportation Authority (OCTA), Riverside County Transportation Commission (RCTC), San Bernardino Associated Governments (SANBAG), San Diego Association of Governments (SANDAG), Southern California Association of Governments (SCAG), Ventura County Transportation Commission (VCTC), and Caltrans Districts 7, 8, 11, and 12. The MCGMAP partners plan, fund, maintain, operate, construct and implement multi-modal transportation projects which include goods movement related projects. The project partners developed four core mandates and six implementation principles (described in the Action Plan) that build upon the principles set forth in the Statewide Goods Movement Action Plan and provided the framework for the MCGMAP.

Other organizations, such as the Ports of Los Angeles and Long Beach, have authority to plan and construct transportation and facility improvements within their respective jurisdictions, while the South Coast Air Quality Management District (SCAQMD) and other air districts develop and implement plans to improve air quality throughout the region. Also, regional, state, and federal agencies have varying regulatory authorities over the trucking and rail industries, but the MCGMAP partners have little ability to regulate the operations, business practices, or pollutant emissions of the private sector goods movement operators, and no authority to regulate shippers and ocean carriers. As a result, the MCGMAP partners have focused primarily on goods movement infrastructure including environmental mitigation while acknowledging the essential roles and responsibilities of others.

Stakeholder participation and outreach was an essential component in the development of the MCGMAP. Two survey instruments were utilized and a project website (http://www.metro.net/mcgmap) was established to inform and engage stakeholders. Meetings and workshops were convened to gather input and share findings. Representatives from community advocacy and health organizations, air quality regulatory agencies, the ports, the trucking and railroad industries and other transportation agencies at all levels of government were invited to participate in the Stakeholder Advisory Group (SAG) meetings. Additionally, smaller one-on-one meetings were held with many of these groups to confirm data and obtain individual perspectives on issues related to goods movement. SAG meetings and county workshops provided a forum for stakeholders to comment on the content of the Action Plan and to express concerns about the impact on local communities, air quality, the environment and the transportation system.

The MCGMAP is a living document that will be revised and updated when major changes occur and if resources are made available. Adoption of this Action Plan by the project partners indicates regional consensus on a program of improvements and mitigation strategies that are needed to effectively address goods movement. As the goods movement system in the region continues to develop more outreach and coordination must occur among the project partners and stakeholders, including reaching out to new stakeholder groups not initially included in the MCGMAP effort.

2 - Comment Summary for Potential Goods Movement Improvements, Strategies & Projects Topic:
Stakeholders were particularly interested in the level of detailed analysis that was performed, the range of alternatives and options that were studied and the existing capacity of the infrastructure. There were also a number of comments about factors and issues that were not addressed in the MCGMAP (e.g. air quality analysis, clustering of warehouses and other logistics practices, reverse flows, inland ports, east-west freight corridor definition, and the plan's evaluation criteria). Additionally, some stakeholder inquired about specific projects contained (and not contained) in the MCGMAP and specific route improvements.

RESPONSE: Given the broad scope and large study area of the MCGMAP, analyses of potential strategies and investments were done at a regional level rather than a local or project-specific level. While detailed project-level analyses were not a part of this effort, they are nevertheless critical and will be conducted as part of subsequent project development efforts. Through the stakeholder outreach process additional items were identified as needing further study (e.g., secondary and tertiary truck movements, reverse flow or empty containers, clustering of warehouses and the feasibility of inland ports remote from residences and sensitive land uses). These items will be analyzed in subsequent study efforts as referenced in the Next Steps section of the Action Plan. Further, SCAG will be conducting the comprehensive Regional Goods Movement Plan and Implementation Strategy that will include environmental mitigation and analysis of alternative technologies for transporting freight, reverse flows and a needs assessment of warehousing to augment the MCGMAP effort. The SCAG study will also serve as a precursor to a Regionally Significant Transportation Improvement Study (RSTIS) that will evaluate the feasibility of implementing a dedicated east-west freight guideway system and/or regional truck lanes on and off current freeway alignments. The RSTIS project area will extend the I-710 South study to an inland destination, possibly in the High Desert Area. The Action Plan notes that many projects and strategies described are at different stages of development; therefore, substantial additional evaluation and analyses must occur as a part of required environmental clearance procedures, as well as to fully address the concerns of the region's stakeholders.

In terms of capacity of the existing infrastructure, all indications point to a future demand in international freight flows that will exceed even the most aggressive efforts by the ports, railroads, and transportation agencies to accommodate it. As referenced in the Action Plan, container volumes through the San Pedro Bay ports are projected to nearly triple from 15.7 million TEUs (twenty-foot equivalent units) in 2006 to 42.5 million TEUs by 2030. These forecasts are constrained by anticipated port capacity at a level significantly below the TEU demand projected for the ports in federally sponsored analyses. The study area's ports, airports, rail lines and intermodal terminals have existing capacity constraints that undermine the efficiency and productivity of the system

as a whole. Furthermore, the existing roadway and rail networks are at or reaching capacity. As a result, the system today is susceptible to disruptions to the movement of goods, causing delays that reduce the quality of services and increase costs to consumers, not to mention substantial delays and congestion for all highway users. This mobility challenge is further exacerbated by the fact that the roadways, and rail networks that accommodate the movement of goods are often the same as those utilized by motorists and passengers for the movement of people.

Regarding the evaluation criteria, a qualitative evaluation of goods movement projects/strategies was conducted for the Action Plan. This analysis grouped a comprehensive list of 249 projects/strategies (the complete list is included in Appendix B of the Action Plan) into 15 categories of projects ranging from increased highway and rail capacity to changes in operational and institutional practices. The 15 categories of projects were then qualitatively evaluated using 26 evaluation criteria.

In the qualitative analysis of the categories of projects/strategies, the evaluation examined each category independently. The purpose of this independent evaluation was to show that each category of project/strategy performed differently across a variety of evaluation criteria. Many stakeholders indicated, and the MCGMAP recognized, that many projects/strategies within various categories may complement or contradict each other; therefore, combinations of projects/strategies and or categories would better serve the region. In order to evaluate the complex relationships of combined projects/strategies or categories, more detailed analysis was required.

This detailed analysis examined the relationship of various projects/strategies or categories when implemented together, as a bundle of projects. Five of the 15 categories (construction of additional freeway lanes/capacity, freeway operational/safety improvements, shuttle trains / alternative technologies including additional intermodal terminals, construction of dedicated truck lanes, and the use of Long Combination Vehicles on dedicated facilities) were modeled using the SCAG Travel Demand Forecasting Model and other more detailed analytical tools. This analysis modeled 12 bundles of projects/strategies and estimated potential cost which was kept constant at a cost per mile basis, quantified truck volumes, the number of hours of delay reduced for both autos and trucks, the number of warehouse acres in proximity to each corridor, the number of schools within 1/3 mile of the bundle, and the number of residential acres within ½ mile of the bundle.

However, due to the limitations of the analytical tools available, all bundles were modeled using a container forecast volume of 42.5 million TEUs by 2030. All analyses were completed from a regional perspective. Analyses were completed with the understanding that further detailed corridor-specific analyses would be required. It is recommended that the future detailed analysis should quantify factors not included as part of this effort, such as design, right-of-way considerations including number of displaced properties, impact on commercial properties adjacent to corridors, right of way, cost, etc. The macro level analysis of dedicated truck lane systems, advanced technology and other bundles rendered preliminary information that warrants further investigation and outreach to affected communities to be conclusive. For more information about this analysis, refer to Chapter 6 of the Action Plan.

To support the actions, vision and market segmentation approach, the partner agencies identified two project lists: regional and county specific. The projects identified vary in terms of stage of development and implementation timeline; some can be implemented in the short-term while others require additional planning and project development. The projects on both lists are considered essential; neither list is viewed as taking precedence over the other but rather as complementary efforts to address the effects of goods movement in the region. The list of "Preliminary Regional Goods Movement Projects/Strategies" focuses on region-wide projects that provide environmental mitigation or ground access (rail, highway, and intermodal) improvements to and from the international gateways and the multi-county goods movement distribution centers and corridors (existing and proposed) within the Southern California region. The list of "Preliminary County-Specific Goods Movement System Projects/Strategies" includes improvements that are located within a single county and connect to the regional and statewide goods movement system of corridors and distribution centers and fill in gaps in the goods movement network. In addition, each of the Action Plan County chapters contain additional projects and strategies of a more localized nature. Queries about project selection, additional projects and specific route improvements should be directed to the appropriate transportation planning agencies.

3) Comment Summary for Impacts and Mitigation Topic:
There were a number of questions and concerns about the goods movement impacts that were analyzed (e.g. community, air quality, economic, health and other local impacts) in the MCGMAP. There was also a question about the number of jobs that have been created as a result of the goods movement industry. In terms of mitigation, there were a number of questions from stakeholders that were interested in air quality and emissions control measures including comments on how to accelerate implementation of those measures that were noted.

RESPONSE: The region is faced with multiple mobility, environmental, community impact, funding, and economic challenges. While the scope of work for the Action Plan was limited to identifying the economic impacts of goods movement in terms of the logistics industry, and best existing practices to mitigate goods movement impacts, the project partners established a multi-county environmental working group to obtain more guidance from professionals that work in the environmental planning field. It was determined that this group will be an excellent resource for the project partners when the follow-up work pertaining to environmental and community mitigation begins. Further, the Action Plan identified two types of mitigation measures that must occur: Project-specific and Regional Mitigation Measures. The Action Plan suggests examples of project specific mitigation measures include use of the best available technology and best practices during construction; compliance with natural resource statutes and adopting "smart" design and good planning principles (e.g. landscaped buffering, noise barriers, exterior light shielding and positioning, separating incompatible land uses, and wetlands protection). The Action Plan recommends regional mitigation measures that can include accelerating funding and implementation of air quality plans, strengthening fuel and engine standards and adopting institutional policies that support environmental and community benefits (e.g. designate quiet zones for rail corridors, amend zoning to avoid incompatible land uses and establish mitigation banking and/or a pool funds to alleviate impacts). Regional mitigations by their nature, will require continued coordination among goods movement stakeholders to ensure success. The MCGMAP also

recommends a coordinated effort among the public and private sector to simultaneously and continuously improve the movement of goods and the associated environmental and community impacts. This is especially important given the CARB 2005 statistic that cites approximately $20 Billion expended in healthcare costs related to health effects from PM and Ozone pollution from freight transport.

In addition, the Action Plan supports the air quality plans prepared by the Ports, the California Air Resources Board (CARB), and the South Coast Air Quality Management District (AQMD). However, as stated in the Action Plan Executive Summary, the MCGMAP partners cannot fully implement many of the plan's recommended strategies on their own. Therefore, to fully realize the benefits of this plan, continued collaboration and consensus building among the MCGMAP partners and other public and private sector stakeholders will be critical. To that end, one of the next steps in MCGMAP is to initiate an activity, in conjunction with the ports, CARB, and AQMD, to generate public and/or private funds to accelerate implementation of air quality improvement strategies being undertaken by these and other entities. Many of the air quality improvement plans are in place, but substantial funding is needed to enable and incentivize the acceleration of the emissions cleanup. It is expected that some of these implementation-oriented discussions will occur through the Southern California National Freight Gateway (SCNFG) Cooperation Agreement. The SCAG Comprehensive Regional Goods Movement Plan and Implementation Strategy will also provide some additional support in this direction. Furthermore, aircraft emissions are also a contributing source of emissions and will be addressed as part of ongoing emission reduction efforts.

The Action Plan does not specifically propose modifications to the dates in the current SIP (State Implementation Plan), Ports of Los Angeles and Long Beach Clean Air Action Plan (CAAP), or Air Quality Management Plan (AQMP). However, it is supportive of other actions that can be taken to accelerate the emissions cleanup, such as relocating the cleanest available train engines and truck fleets to Southern California facilities where that opportunity exists, generating additional funds for enabling and incentivizing the location of newer goods movement technology in Southern California, and using the leasing oversight of the ports to incentivize reduced emissions from marine vessels.

Reference was made in the prior responses to possible mechanisms for accelerating air quality initiatives, including expediting vehicle retrofit or replacement. In addition, the Environmental Justice Analysis and Outreach for the MCGMAP has been initiated, one products will be a guidebook of strategies that local governments and other agencies may use to avoid, minimize, and/or mitigate the impacts of goods movement. (Refer to #8, for more information.)

The MCGMAP partner agencies expect to be involved in discussions, through the SCNFG and other means on actions that can be taken to expedite the implementation of various emission reduction strategies. Concepts for accelerating emission reduction strategies will need to be brought forward and discussed with the public and private sector entities that are in a position to take action and implement the needed changes.

As stated in the Action Plan, implementation of the recommended goods movement projects rests with the individual entities, both public and private, that have funding and implementation responsibility. Most of these projects are multiple years from being implemented, and project-level environmental reviews will be conducted at the

appropriate time. The Action Plan views the recommended infrastructure projects to be needed to keep up with the growing freight demand, but also recognizes that each project will need to move forward in a way that avoids, minimizes, and/or mitigates environmental impacts.

In terms of employment and other economic gains, it was found that despite its impacts, international trade provides significant benefits to the region. The logistics industry provides both direct and indirect benefits to the region's economy. Economic studies show that logistics activity is responsible for $90.7 billion, or 6.6%, of the nearly $1.4 trillion in economic activity annually in Southern California. The indirect or induced impact represents another $170 billion or 12.4%. Each logistics job supports 2.2 new jobs in the economy. This contribution to the economy is significant and is important to achieving the MCGMAP vision and maintaining the economic vitality of the region.

4) Comment Summary for Rail-Related Topic:
There were a number of stakeholders interested in the railroads, railroad operations and rail capacity improvements (e.g. intermodal facilities, on dock and near dock facilities). In addition, some stakeholders inquired about specific grade separation projects and passenger rail services, train idling and electrification that was noted.

RESPONSE: The railroads have been an active participant in the SAG meetings. The MCGMAP recognizes the importance of freight rail to the region's goods movement system. Therefore, the Action Plan calls for increased intermodal and on-dock and mainline rail capacity in order to maximize the share of goods moving by rail. However, while there is a need for additional rail intermodal capacity, any such facility must undergo required environmental impact analyses before implementation. It is important to note that rail projects must demonstrate public benefits in order to qualify for public funding. Also, given the importance of rail for goods movement, it is important to continue dialogue and cooperation between the public and private railroad companies in order to implement the most efficient, cost-effective, and environmentally friendly solution possible.

Also, the MCGMAP does not endorse any specific advanced technology, but recommends additional evaluation of technology options. The MCGMAP partners recognize that any specific operational solution or technology option dealing with line-haul freight is highly complex, will be driven by the operational needs of the logistics industry, must involve cost-effective solutions, and must represent a feasible transition from current technologies. At the same time, the MCGMAP partners recognize the need to make major advances in freight-hauling capacity while at the same time improving the environment. Both the public and private sectors must be involved in exploring these options. In conjunction with rail capacity improvements, the MCGMAP also recommends strategies and projects to reduce the community and environmental impacts of goods movement. For example, the Action Plan recommends construction of grade separation projects as well as expediting fuel and engine standards. Queries about specific grade separation projects should be directed to the appropriate transportation planning agencies.

The MCGMAP seeks to build upon successful rail projects already undertaken in the region, including the Alameda Corridor and the Alameda Corridor East. Through

similar coordinated efforts, the project partners believe that the goals of the MCGMAP can be achieved.

5) Comment Summary for Alternative Technologies for Freight Topic:
There were a number of comments from stakeholders requesting more analysis of alternative technologies. In addition, there was interest in maglev systems and zero emission technology.

RESPONSE: Assessment of specific types of technology was not within the scope of MCGMAP. Efforts underway by the Ports of Los Angeles and Long Beach, SCAG, as well as the I-710 Environmental Impact Report/Environmental Impact Statement will focus on analysis of alternative technologies and alignments based upon further evaluation. However, as part of MCGMAP analyses, an alternative technology bundle was modeled to reflect impacts as a result of reduction in truck trips due to the utilization of an alternative technology. The MCGMAP analyzed the potential benefits of an unspecified alternative technology system extending from the Ports of Los Angeles and Long Beach to an inland port generally located at the intersection of the I-10 and I-15 freeways. An operational target of 1.35 million annual container lifts was used, which translates into 5,400 trucks per day. This is approximately the volume handled by the BNSF Hobart Yard in Commerce, which is currently the largest such facility in the study area. An estimate of 5,400 trucks per day appears reasonable, given that the Southern California Association of Governments' "Inland Port Feasibility Study" Task 1 and 2 report estimates that in 2010, 4,500 truck trips per day will occur between San Bernardino and Riverside Counties and the Ports of Los Angeles and Long Beach. However, it is possible to increase the volume handled by an inland port and associated alternative technology system if distribution centers are clustered around the inland port and the port can attract other market segments. As a result, the MCGMAP recommends further analysis of the inland port strategy and evaluation of the feasibility of implementing a dedicated freight guideway system and /or regional truck lanes in the study area. This analysis would include a comparative evaluation of the air quality impacts and related benefits for each alternative, as well as the identification of market conditions required to develop an inland port facility. Market conditions will ultimately drive the decisions for location, system connectivity, and lift capacity of an inland port.

6) Comment Summary for Funding Topic:
Stakeholders were particularly interested in the region getting its fair share of funding for goods movement infrastructure improvements and mitigation measures. A number of stakeholders inquired about user fees, collection of user fees, incentives and disincentives, and the potential for seeking other funding sources including the private sector.

RESPONSE: The goods movement system is significantly underfunded. Projects and programs identified in this Action Plan show funding needs on the order of $50 billion over the next 25 years. This will require funding commitments from all levels of government as well as the private sector.

Despite accommodating most of the nation's international trade volumes, Southern California has received a disproportionately low share funding for goods movement.

Moreover, the private sector's role in funding regional and nationally significant goods movement projects to date has been limited. It is imperative that new avenues of goods movement funding for projects be pursued, including other state appropriations, federal funds, and private sector contributions consistent with the impacts of the benefits they derive from the use of the transportation system. For example, next year the Congress is expected to act on national transportation reauthorization legislation. While it is unclear at this point what direction that legislation will take regarding meeting the nation's goods movement needs, organizations such as the Coalition for America's Gateways and Trade Corridors and the American Road Transportation Builders' Association have developed recommendations regarding goods movement issues that could be considered by the Congress. Among those recommendations are:

- A portion of the reauthorization legislation to be dedicated to goods movement policy issues including potential funding sources.
- Potential freight-related funding sources to be considered are:
    - a fee on containers entering our ports
    - an increase in federal customs fees
    - a mileage tax on truck travel
    - a ton-based freight fee on all modes (truck and rail)

On the state level, with the passage of Proposition 1B, a $19.9 billion transportation bond issue, in November 2006, $2 billion was made available for goods movement projects. (Some of the projects submitted for funding appear in the Action Plan). Working with the California Transportation Commission (CTC), the Southern California Trade Corridors Improvement Fund (TCIF) Working Group, a partnership of public sector goods movement stakeholders garnered $1.64 billion out of a total of $3 billion made available by the CTC for TCIF. Furthermore, the San Diego Border Region received $400 million of this amount for goods movement projects (For more information on TCIF, please refer to Appendix D.)

User Fees are an approach for obtaining additional funding from specific users of designated facilities or systems. In some cases user fees can be synonymous with tolls or congestion charges, while others may view user fees as the cost associated with transporting goods using a specific or preferred mode of transport. The underlying premise is that specific users pay for the privilege of using a system or facility which provides some benefits in terms of increased speeds or reduced congestion. Ongoing efforts by the private sector, Ports, state, the federal government , and other stakeholders to obtain fair-share contributions and user fees must be coordinated and developed to work in concert together. Any discussions of fair-share contributions or user fees must ensure that economic, environmental, and operational impacts are addressed in an equitable and balanced manner. If agreed upon there would be a need to establish structures to manage user fees and revenue that are acceptable to both public and private sector stakeholders.

Also on the state level, the Legislature is considering container fee legislation to be implemented in 2009, which would impose a $30 fee on each shipping container processed at the Ports of long Beach, Los Angeles and Oakland. The fee would fund congestion management and air quality projects related to the ports. It is estimated that for the Ports of Los Angeles and Long Beach, $100 million would be generated in 2008-

09 and $340 million annually thereafter. The legislation would also permit the ports to bond up to $5 billion of the proceeds from the container fee.

The MCGMAP proposes a strategic approach for involving public and private sector groups. The MCGMAP also recommends methods for public and private sector entities at various levels, from initial planning to project operations. The participation of the private sector, particularly our nation's railroads, in the development of solutions to our region's goods movement problems is essential. Forging a partnership with private corporations who own the rail rights-of-way will be put to the test with the implementation of Proposition 1 B grade separation projects. A major topic to be discussed at that time will be the sharing of the cost of those projects based on which party benefits and which party is the most impacted.

7) Comment Summary for Security Topic:
There was one inquiry about homeland security and whether the new security measures have resulted in more traffic delays at the ports.

RESPONSE: MCGMAP Tech Memo 3 and Chapter 3 in the Action Plan reference the importance and significance of goods movement security, as well as programs that have been initiated to enhance the safety and security of goods movement. The MCGMAP partners do not have any direct authority over goods movement security. Instead, security is handled by a collection of federal, state, and local agencies, such as the U.S. Department of Homeland Security/Customs and Border Protection, U.S. Coast Guard, and other local, state, and federal law enforcement agencies. As a result, the MCGMAP emphasizes the importance of goods movement security but recognizes that security is beyond the scope of this plan as well as the partner agencies' roles and responsibilities. There are, however, significant losses of output and jobs as a result of increased delays at seaports, landports, and airports. These delays could be attributed in part to changing security measures, causing an impact on local, regional, and national productivity.

8) Comment Summary for Environmental Justice Topic:
There was one inquiry about the multi-county environmental justice study.

RESPONSE: The MCGMAP partners recognize the local and community impacts of goods movement. As a result, the project partners have embarked upon the Goods Movement Environmental Justice Analysis and Community Outreach project. The goal of the project is to expand the region's understanding of goods movement impacts, and identify best practices and/or solutions that support community based approaches to address the disproportional impacts of goods movement that are largely borne by minority and low income communities. The project will result in a guidebook that documents the strategies for minimizing the impacts of goods movement. In addition, the guidebook will contain one case study in each county (Los Angeles, Riverside, San Bernardino and Ventura) that will examine impacts and potential mitigation strategies. This project is expected to be completed in late 2008/early 2009. Depending on the outcome of this project, it is possible that the MCGMAP partners could embark on subsequent phases of this work.

9) Comment Summary for Next Steps Topic:
There were a number of stakeholders that offered comments and suggestions about the next planning steps. In addition, there were views expressed about landuse conflicts, port diversion and private sector planning horizons versus public transportation planning horizons that were noted.

RESPONSE: The project partners are particularly mindful of the various roles that the ports, railroads, regulatory agencies, business community and the logistic industry play in the goods movement system. It is with the utmost respect that the project partners, acting on behalf of the communities that are impacted by the decisions that are made by this industry, develop short and long term transportation plans to improve mobility so that Southern California residents can continue to enjoy a superior quality of life. While it is not the intention of the partner agencies to engage in strategic planning for the goods movement industry, collective efforts such as this provide a better understanding of a very complex system and allow planners to make more informed decisions.

Further, the success of the partnership between public and private sector interests that has developed through this study rests with all of the participants. It is for that reason that all stakeholders will play an integral role in the next steps in terms of promoting partnership and advocacy, reducing environmental and community impacts, improving mobility and securing funding as described in the Action Plan. Also ongoing support to groups such as Mobility 21 and the Coalition for America's Gateways and Trade Corridors and others in their efforts to develop dedicated federal and state goods movement funding sources will be crucial.

THE CALIFORNIA RAILROAD INDUSTRY

March 17, 2008

Michelle Smith
Metropolitan Transportation Authority
1 Gateway Plaza
Los Angeles, CA 90012
Mailstop: 99-22-3

Re: Freight Railroad Comments on 2008 Draft Multi-County Goods Movement Action Plan

Dear Michelle:

On behalf of the Association of American Railroads and its Class 1 member freight railroads operating in California (BNSF Railway and Union Pacific Railroad, or the Railroads), we appreciate the opportunity to comment on the Draft Multi-County Goods Movement Action Plan (Draft Plan) strategies related to freight railroad operations. The Draft Plan addresses four (4) "action sets:"

1. Accelerate regional environmental mitigation
2. Relieve congestion and improve mobility
3. Improve operational efficiency
4. Develop equitable public/private funding strategy

The comments presented here will address the items pertaining to railroad operations in each of the action sets. Note that failure to comment on a particular item or portion of the Action Plan should not be interpreted as concurrence by AAR or the Railroads.

Action Item 1: Accelerate Regional Environmental Mitigation

Draft Plan	**Strongly encourage EPA to rapidly finalize its proposed rulemaking for the Control of Emissions of Air Pollution from New Locomotive Engines and New Marine Compression-Ignition Engines Less Than 30 Liters per Cylinder.**
Railroad Comment 1	EPA issued final regulations on March 14, 2008. The Railroads support these technology-forcing regulations. Leaders of environmental groups lauded the US EPA on their adoption of tough new locomotive standards. Janea Scott, staff attorney for Environmental Defense Fund, remarked "EPA deserves praise for issuing a final rule that is stronger than its original proposal." Richard Kassel, director of NRDC's Clean Fuels and Vehicles project said, "EPA has delivered a strong program that will go a long way towards solving the problem of diesel train and ship pollution in the future."

Draft Plan **Generation of public and/or private funds to accelerate the implementation of the air quality strategies contained in the Ports' Clean Air Action Plan, the California Air Resources Board's Emission Reduction Plan, the California Air Resources Board's Goods Movement Action Plan & the South Coast AQMD's Air Quality Management Plan.**

Railroad Comment 2 The current SIP, CAAP and AQMP Plans already contain unrealistic assumptions regarding the availability of new locomotive technology. In some instances, these Plans propose that Tier 4 engines be introduced as early as 2012. However, When US EPA reviewed the technical information available, they concluded the new locomotive technology would not be available until 2015 at the earliest. The Railroads cannot dispatch new units to Southern California if they cannot purchase them. Even if Tier 4 locomotives were available earlier, because of the small number of brand-new locomotives produced annually the availability of these locomotives as early as 2012 would not make an appreciable difference in the region's air quality. The Draft Plan should not propose that the dates in the current SIP, CAAP or AQMP be accelerated in advance of the dates promulgated by US EPA.

Draft Plan **Investigation of the feasibility of advanced transportation technologies such as maglev and linear induction motors.**

Railroad Comment 3 While the Railroads are supportive of the development of new technology, it seems unlikely that fixed guide-way system applications (such as maglev) will be feasible given costs, operating issues, and impacts on rail yard operations. The Railroads submitted comments to SCAG on the infeasibility of using a High Speed Rail Technology (HSRT) freight system in June and October 2007, and these comments are attached for your review.

Draft Plan **Implement engine idling restrictions for rail.**

Railroad Comment 4 The Railroads support the reduction in unnecessary idling and have invested in idle reduction technologies since 2003. All new Tier 1 and Tier 2 locomotives are equipped with idle reduction devices. The Railroads are also retrofitting the intrastate locomotive fleet with devices to comply with the 2005 MOU with CARB. By June 30, 2008, all intrastate locomotives will be retrofitted with idle reduction devices that limit idling time to no more than 15 consecutive minutes unless extended idling is necessary for operational reasons. In addition, the Railroads voluntarily agreed in the 2005 MOU with CARB to exert their best efforts to limit the non-essential idling of locomotives not equipped with automatic idling reduction devices to no more than 60 consecutive minutes. The Railroads, however, do not support local rules or regulations that restrict idle duration and such local rules and regulations are clearly preempted by Federal and State law.

Draft Plan **Use low emission train engines or electrification.**

ailroad omment 5

The Railroads have continuously invested in low emitting diesel and alternative fuel technologies for the past decade. BNSF currently operates four LNG switcher units in southern California, UP and BNSF have developed (with CARB) a diesel particulate filter application for two switcher locomotives, both BNSF and UP have invested in "green goat" hybrid battery switcher locomotives, and both BNSF and UP are currently operating low emitting "genset" switchers locomotives. Furthermore, both railroads have invested over $300 million to purchase the cleanest available locomotives to comply with the South Coast fleet average agreement. As the Railroads purchase Tier 3 and Tier 4 locomotives, the fleet will continue to become even cleaner.

All previous studies of electrification in southern California raise insurmountable operational and cost-effectiveness issues that must be thoroughly considered in any public policy discussion. Electrification is cost prohibitive and would result in limited reduction of emissions.

In addition, ingress and egress from an electrified system presents safety and operational challenges relative to inadvertent contact with electric lines and lift machines avoiding catenaries.

The Railroads submitted comments to SCAG on the feasibility of freight electrification on February 15, 2008. A copy of these comments is attached to this letter. Please review these comments for more detail.

Action Item 2: Relieve Congestion and Improve Mobility

Draft Plan

Fund and implement the use of on-dock rail according to the San Pedro Bay Ports Master Plans (Increase intermodal lift capacity).

Railroad Comment 6

Both BNSF and UP are on record supporting on-dock rail expansion at the Ports of Los Angeles and Long Beach. The Railroads also support the conclusions from the Ports Rail Master Plan that even with full development of all on-dock rail facilities, additional near dock facilities will be needed in order to prevent more containers from moving by truck rather than rail.

Draft Plan

Increase intermodal rail lift capacity at near dock facilities

- **Modernize the Union Pacific Intermodal Container Transfer Facility (ICTF).**
- **Construct BNSF's Southern California International Gateway (SCIG) near dock facility.**

Railroad Comment 7

Both BNSF and UP support the development of additional lift capacity near the Port of Los Angeles and Long Beach. As indicated by the Draft Plan, and as clearly shov

in the Ports Master Rail Plan, even if all on-dock rail facilities are constructed in a timely manner, there still will be a need for additional lift capacity at both ICTF and SCIG. Without the development and modernization of these facilities, more containers will move by truck rather than by train. Both the BNSF and the Union Pacific projects are needed to increase intermodal rail lift capacity because container traffic moves under long term contracts to one Railroad or the other. Selection of rail carrier is often dependent as to which rail carrier serves a destination most efficiently, and each carrier does not serve all destinations. For this reason container traffic will not necessarily switch from one railroad to another but rather will move from train to truck. Both BNSF and UP have proposed to develop the cleanest intermodal facilities in the world. The Railroads agree with the Draft Plan when it states: "The biggest constraint to the movement of goods is intermodal lift capacity. Shifting freight from trucks to rail will require increased capacities and systems to allow more goods to quickly transfer from various modes (intermodal lifts); thereby minimizing the interim drayage truck movements." (chapter 6 pages 6-11) The development of the SCIG and the modernization of the ICTF are necessary to ensure that intermodal lift capacity is increased to minimize modal shift and maximize the use of rail transportation with its inherent environmental benefits.

Draft Plan Railroad Comment 8

Increase mainline rail capacity.

The Draft Plan recommends significant expansion of the railroad mainlines operating in the study region. The Railroads recognize that investment in rail expansion and rail efficiency is necessary to accommodate projected freight levels, but object to being taxed to fund those improvements. The Draft Plan proposes that the private railroads pay fees to a public entity to fund those investments. The Draft Plan is flawed inasmuch as it recommends that governmental planning organizations with little or no expertise in national freight rail operations serve as a strategic planning entity determining when and how private rail lines should be expanded. Network development and design is complicated and involves analysis of more than just mainline expansion in a single region. Decisions concerning investment in terminals, rail yards, locomotives, freight cars and siding capacity must be considered in light of trends across the spectrum of national freight demands, along with other investments in other areas outside of the SCAB region to prevent bottlenecks. While international intermodal freight is an important component of rail business, the Railroads have critical network needs (and capital demands) for a host of other customers around the country: wheat, corn and other agricultural products from the Midwest; coal and other minerals from mining operations around the country; industrial products; and automobiles. When and where rail capacity investment on individual rail systems is needed is a question that requires constant review and revision, is affected by changes in market demands and business cycles, and does not lend itself to the sort of long-term planning that may be more appropriate for a regional government agency

planning improvements to an existing highway system. It is imperative Railroads retain authority, and the flexibility that comes with that authority, to make changes to capital investment plans as warranted by changing circumstances over time. Accordingly, while the Railroads agree that continued investment in system capacity is necessary, having a public agency be involved in determining the need for investment and then taxing the industry to pay for these investments would not be economically efficient.

Draft Plan **Eliminate rail bottlenecks - Construction of the Colton Crossing rail-rail grade separation.**

Railroad Comment 9 Construction of the Colton Crossing grade separation will provide significant public benefits. The Railroads have submitted a Public Benefits Analysis (January 2008) of the Colton Crossing project to Caltrans and the CTC, and this study is attached for further review.

Draft Plan **Grade Separation - Implement the Alameda Corridor East (ACE) Trade Corridor railroad grade crossing improvement program for all counties involved.**

Railroad Comment 10 The Draft Plan identifies many new grade separation projects (projects which separate rail and road intersections). Standard grade separation projects do not enhance velocity, throughput or capacity for railroad operations. Instead, such projects provide a distinctly public benefit by moving vehicles resulting from nearby development over or under rail lines. The National Highway Trust Fund, other federal sources, and contributions by the state and local sector are possible sources for funding these proposed improvements.

Draft Plan **Metrolink - "Passenger train (commuter rail) volumes [are projected to] escalate to 140 by 2025 from 58 in 2000, an increase of one and half times or 150%."**

Railroad Comment 11 The Draft Plan proposes a significant increase in the number of Metrolink trains that would operate on private rail lines. Although the Draft Plan may provide for a funding mechanism to generate revenue to assist in the funding of such service, the assumption that such service level is achievable is premature. Any Metrolink expansion, if even possible on freight corridors, will have to be negotiated in the future by the interested parties.

Action Item 3: Improve Operational Efficiency

Draft Plan **Develop public/private partnerships to research and develop advances in goods movement transportation technologies.**

Railroad Comment 12 The Association of American Railroads has published a "position paper" on public/private partnerships which is attached to these comments for your review.

Action Item 4: Develop Equitable Public/Private Funding Strategy

Draft Plan	**Negotiate user fees with industry that can be included in a project-specific finance plan to improve goods movement and air quality. Fees discussed include container fees, fees to support revenue bonds, and gate fees.**
Railroad Comment 13	There are many freight projects that provide extensive public benefits—such as environmental enhancements and improved freight efficiency — that a private railroad would not otherwise fund, due to the constraints of capital budgets or the lack of a sufficient return on investment. Public funding in these instances is appropriate and does not represent a public subsidy of private beneficiaries, since a rail carrier would contribute financially commensurate with its benefit, if any. Where the benefits lie solely with the private railroad, the Railroad supports the principle that it pay for these improvements. However, a fee on rail container movements should not be utilized to pay for projects with predominantly public benefits.

Thank you for the opportunity to provide comments. If you have any questions or concerns, please call me at 415-421-4213 x 12 or Peter Okurowski at 925-339-3500.

Sincerely,

Kirk Marckwald
Principal, California Environmental Associates
On behalf of the California Railroad Industry

cc:
Hasan Ikhrata, SCAG
Mary Nichols, CARB

INLAND EMPIRE
ECONOMIC PARTNERSHIP

March 17, 2008

RE: Multi-County Goods Movement Action Plan (MCGMAP) Draft

Dear MCGMAP Member Agencies,

On behalf of the Inland Empire Economic Partnership, I would like to express our support and appreciation for the efforts of your agencies to develop a comprehensive and collective Southern California approach to our mutual issues.

The detailed technical analyses provided by the MCGMAP team has been ground breaking in the scope of details explored, and will certainly prove to the foundation of future endeavors in this area.

Beyond the technical merits of the draft plan and the effort involved, we would like to highlight the salutary benefits this process has brought to the Southern California region. By creating a mechanism to convene the disparate agencies for specific discussions related to goods movement and trade infrastructure, the MCGMAP process has doubtlessly helped to create and encourage the regional unity exemplified in the Southern California Consensus Group and its stalwart advocacy on Proposition 1B's TCIF on behalf of the impacted agencies and the residents and businesses contained within their areas of responsibility.

In this spirit, I congratulate you for the success of your efforts and for their contributions to Southern California. We look forward to the future progress of the MCGMAP collective and its individual agencies.

Sincerely,

Bill Carney
President & CEO

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CITY HEIGHTS
Community Development Corporation

March 17, 2008

Michelle Smith, Metro Project Manager
South Counties GMAP Project Partners
One Gateway Plaza, MS 99-22-8
Los Angeles, Ca 90051

BY: Fed Ex and Email : goodmoves@metro.net

RE: Comments on Multi-County Goods Movement Action Plan

This is to provide comments on behalf of the City Heights Community Development Corporation (CHCDC) on the " Multi-County Goods Movement Action Plan" (MCGMAP) . We have been directed to submit comments to you by Sam G. Morrissey, PE of Wilbur Smith Associates.

CHCDC has participated in a number of working groups (including the SANDAG Freight Working Group) and submitted testimony and formal comments to the San Diego Association of Governments (SANDAG) regarding the Goods Movement Action Plan (GMAP) for San Diego County with special concerns regarding the SR 15 segment of I-15. We also participated and presented comments and materials to the MCGMAP Public Workshop held in San Diego on February 21, 2008. It appears that our comments to the SANDAG Freight Working Group and actions of the SANDAG Board of Directors in adoption of the 2030 Regional Transportation Plan update in November 2007 have NOT been incorporated into the MCGMAP.

The MCGMAP Executive Summary (ES) repeatedly makes reference to the problems related to truck traffic pollution in neighborhoods and communities . This is mostly discussed in regard to trucks exiting freeways and intruding into local neighborhood streets. The MCGMAP does not appear to consider the problems of communities that are dissected by freeways that are designated for Goods Movement.

The SR-15 Mid City segment of I-15 in San Diego, between SR-94 and I-8, was reviewed and constructed in the late 1980s to 1990's. The freeway was opened for service in 2000. Memoranda of Agreement (MOA) in 1985 and of Understanding (MOU) in 1993 were signed between the City of San Diego and the State of California to provide for mitigations to some of the significant effects of the construction of a freeway cutting through the densely populated Mid City San Diego communities of City Heights, Normal Heights and Kensington. A summary is attached with includes pertinent excerpts of the 1985 MOA and 1993 MOU.

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One of those mitigations in Section 9 in the SR 15 (40thStreet Corridor) Memorandum of Agreement from May 1985 states that, "The State will, to the extent feasible, sign and direct truck traffic to the 1-805 facility as an alternative to Route 15 through Mid City."

The 2007 San Diego adopted 2030 RTP clearly recognizes the significance of a high density community being dissected by a freeway. In recognition of the preexisting mitigation to divert truck traffic from I-805 the RTP section on GMAP and Appendix B, Figure 1b show the deletion of the GMAP designation for the area between the I-15 – I-805 intersection and the I-15 – SR-163 intersection. No alternative route is provided to provide for Goods Movement related traffic to reenter the I-15 freeway. A route was suggested to the SANDAG Freight Working Group and reiterated at FWG meeting in September 2007. This gap leaves an incomplete network by not providing a specific route for trucks running through the I-15. Page B-6, Table B.1 in the 2030 San Diego RTP clearly states that "I-15 between I-805 and SR 163 was removed from the GMAP network in November 2007".

It should also be noted in the MCGMAP that according to page 6-30 in the same adopted SANDAG 2030 RTP "Dedication or construction of additional lanes for HOV or other uses in the SR 15 Mid-City segment of I-15 is contingent on the completion and operation of BRT stations and system improvement pursuant to agreements between the State and City of San Diego."

The MCGMAP ES, Page 6 in the Draft Summary mentions that 1.4 million trucks worth of goods cross the Otay Mesa POE in both directions. Those trucks are mainly fed into freeways I-5, I-805 and I-15. Various combinations of these freeways connect San Diego (the border and the Port) with Los Angeles and Riverside respectively. Since the current RTP GMAP does not call out a specific route to take, trucks seeking to use the designated GMAP route up I-15 will be likely to take SR-15 Mid-City segment, because it may appear to be the shortest route. Recommending an alternative route (such as taking I-805 north – SR-163 North – I-15North or vice-versa) would appear longer but it may in fact be quicker and reduce air pollution levels in high density adjacent Mid City communities, including City Heights which has two schools located within 500 feet of the freeway.

MCGMAP ES Page 24.- Table 4: indicates the number of schools within 1/3 of a mile from identified Southern California route "bundles". According to studies, schools should not be located within 500 feet from a freeway. Special attention should be given to rerouting trucks along routes which are at least 500 feet away from schools and proper monitoring should be provided to assure that there are not adverse impacts to the sensitive receptors at these locations. In addition, the alterative routes suggested here to move freight from the Port of San Diego and the Border to Riverside should be identified as other "bundles" in the MCGMAP.

The MCGMAP states at page 2,:"Given their defined roles and responsibilities, the MCGMAP partners cannot fully implement many of the plan's recommended strategies on their own…", but according to the MCGMAP Draft Executive Summary 2007's Implementation Principles, Page 5, " **1. Guideline:** The Action Plan is the master plan for goods movement in Southern California and is intended to be used as guidance in the preparation of state, regional, and local transportation plans. The Action Plan can also be a tool for local jurisdictions to make informed land use decisions." This would appear to run counter to representations that the San Diego SANDAG 2030 RTP takes precedence in transportation planning and funding. If the MCGMAP is to be used as noted, it would appear that it requires proper environmental review. The 2030 San Diego RTP has a certified EIR completed and it excludes the GMAP designation for the Mid City SR-15 segment of I-15. By not expressly noting this at all points in the MCGMAP this document is inaccurate and misleads other jurisdictions and agencies in their planning and budgeting.

The MCGMAP can and should include the following guidelines and provisions :

1.- Clearly prioritizing health of sensitive receptors , e.g. "Health over Freight"

2.- Providing specific recommendations, e.g. "Redirect – Reroute trucks and other mobile freight pollutants when schools are within 500 feet to the more restrictive 1/3 of mile from a dedicated Freight Guideway or other designated GMAP

With these priorities explicit it will be easier for cities (regions) to create local plans that are compatible with specific restrictions already in place and produce a multi county plan with gaps such as the one that can be found in the 2007 San Diego RTP.

Please clarify if MCGMAP Page 17, the Specific Actions, last point, "implement a dedicated Freight Guideway system…I-15 to Victorville", refers to I-15 all the way South into San Diego? If that is the case it should be considered that the 2007 San Diego RTP has deleted a segment of the I-15 as part of the Goods Movement Network between the I-15 – I-805 intersection and the I-15 – SR-163 intersection and an alternative has not been identified.

This issue should be clarified.

Page 20-21, Figure 6: Map of Potential Future System identifies the San Diego segment of the I-15 as a Dedicated Freight Guideway. Again, it should be noted that the adopted 2007 San Diego RTP has deleted a segment of the I-15 as part of the Goods Movement Network (between the I-15 – I-805 intersection and the I-15 – SR-163 intersection).

Page 3 in the Draft Action Plan – San Diego, Figure 1 is inconsistent in the I-15 segment between the SR-163 intersection and the SR-94 intersection of the San Diego Region GMAP.

Table 9 in the Draft Action Plan – San Diego, which is based on Table B.1 of the San Diego Region RTP appendix B (Goods Movement Action Plan) does not take in consideration the Note on the bottom where it is stated that the I-15 between I-805 and SR 163 removed from GMAP in November 2007. This should be considered in order to draft a better and accurate Southern California GMAP.

Page 22. Stakeholders Outreach "Some stakeholders indicated that regional environmental and community impacts must be addressed and mitigated to a level beyond existing air quality attainment goals. However, the authority to increase air quality attainment goals rests with regulatory agencies such as the SCAQMD and CARB, not the MCGMAP partner agencies."

Air quality attainment goals are regional and are measured within air basins, but we know that people closer to the pollution source directly breathe many pollutants before they spread outward. Those people are exposed to high levels of pollution and suffer the health issues described in page 7. A clearer strategy should be implemented to address this problem.

Thank you for the opportunity to comment about the Multi-County GMAP.

Sincerely,

Jay Powell, CHCDC Executive Director

Enc CHCDC Comments letter San Diego RTP
CHCDC Comment letter San Diego RTP EIR

CHCDC Fact Sheet Summary Excerpts of Mitigations

SANDAG RTP documents and maps

EXCERPTS

MULTI-COUNTY GOODS MOVEMENT ACTION PLAN
DRAFT ACTION PLAN COMMENTS
COMMENTS BY GATEWAY CITIES COUNCIL OF GOVERNMENTS
FEBRUARY, 2008

The following comments are provided on the draft action plan.

The draft plan states that the plan is "just a guide in preparation of plans." However, from reviewing the draft plan many of the ideas for a framework are nebulous and lack specific steps for moving the plan forward. A more specific "next steps plan" is needed that includes community and perhaps equally important industry input. The draft plan also states that "communities are calling for slower growth (of the ports) and mitigation of existing impacts." The second part of this statement is correct but GCCOG is commenting and performing its own evaluations to see if ultimate port growth can be accommodated by the local communities. Therefore, we would disagree with the first part of the previous statement.

The GCCOG can support the Implementation Principles listed on page 1-5. However, the input of the communities is vital and an accurate portrait of community impacts from any proposed facilities (such as impacts to sales tax base from any freeway widenings) should be an implementation principle. Another implementation principle should also the active input and participation from the private sector and include an environmental principle stating that all projects or strategies be environmentally protective or mitigate existing environmental deficiencies be considered for as the number one Implementation Principle.

Page 2-3 includes the following statement – "Respondents also demonstrated support for dedicated truck lanes between the ports and the Inland Empire." This is not the overall position of GCCOG. Dedicated truck lanes are an element of the I-710 Major Corridor Study hybrid design but this does not indicate a universal acceptance, particularly where the expansion of freeway ROW is required. On this page it is also stated that "majority of respondents felt an east-west corridor should be the focus of goods movement infrastructure improvement." While generally supporting this statement, there needs to be a lot of input from GCCOG (and SGVCOG) in order to successfully address this issue. That has not been the case to date.

Railroad systems capacity limitations are not analyzed and a plan to implement those that are identified is not included in the plan. The railroad systems improvements should be analyzed collectively to determine if <u>all</u> of the needed improvements to various aspects for rail movement can be improved (and the impacts or results if they are not).

The plan does not address the impacts of reverse flow of goods (empty containers and exports).

In the future, data should be developed for daily volumes for 40' containers as that is the most useful for planning purposes. Also, the time of day these containers are moved (or relocated) should have been analyzed.

The draft action plan still does not address the locations for future warehousing/distribution centers (or a potential inland port). Without that information, the effectiveness of any "action plan" cannot be determined.

Air quality and emission reduction strategies are much more thoroughly addressed then in previous drafts. However, without a quantitative analysis of all the proposed air pollution reduction measures combined with an analysis of additional air pollution reduction measures, it is difficult to assess the impacts of these measures on the health of the nearby communities.

The plan does not address all the impacts of constructing truck lanes along various freeways.

Alternative technologies are not adequately addressed or evaluated in the plan. However, they are included as the "solution" for many of the implementation strategies. This dichotomy should have been addressed in the plan.

Table 21 from the plan is attached and shows changes or modifications recommended by GCCOG. In general shuttle trains should not have been listed with alternative technology. Shuttle trains have been dismissed by others (ACTA and SCAG) as being ineffective. The revisions or changes shown in Table 21 show the following:

- Alternative technology has much more benefits for the various categories.
- Mainline rail capacity improvements have many more benefits (as long as combined will all other railroad systems aspects needed to be improved along the mainline).
- Port hours and modifications of delivery hours have much more significant benefits than shown previously.
- ITS technologies (based on work being done by GCCOG) have the very real potential of much more benefits than shown in the original table.

Pages 6-11 to 6-18 – **Summary of Qualitative Evaluation** – Attached are the referenced pages on which GCCOG has shown our comments in red. In general some of the conclusions with respect to the "most" benefit overlook the inter-dependency of the goods movement industry and the benefits of other aspects of goods movement – most notably the use of alternative technologies, improved railroad systems improvements, port hours of operations, efficiencies and ITS. The changes shown on the attached pages reflect the previous comments by GCCOG and the changes suggested in Table 21. The specific comments for use of the evaluation categories are shown on the attached pages.

Page 7-9 – Table 24 – Example Actions Targeted by Market Segment – This table is included with changes or comments by GCCOG that reflect our previous comments.

Page 7-19 lists the time frames to implement the strategies and covers a period of over 25 years to implement. This is entirely too long, particularly for environmental mitigations and if the ports continue to grow. The ports are projected to double within the next ten years and that should be the longest period to implement

MAJESTIC REALTY CO.

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DATE: March 17, 2008

TO: Multi-County Goods Movement Action Plan – Agency Partners:
Los Angeles County Metropolitan Transportation Authority
Orange County Transportation Authority
Riverside County Transportation Commission
San Bernardino Associated Governments
Ventura County Transportation Commission
California Department of Transportation – Districts 7,8,11 &12
San Diego Association of Governments
Southern California Association of Governments

RE: Multi-County Goods Movement Action Plan Comments

In response to your request for comments regarding the final draft of the Multi-County Goods Movement Action Plan (MCGMAP), Majestic Realty Co. would like to begin by acknowledging the significant work that has gone into the preparation of this multi-county effort. We have appreciated the opportunity to participate as a member of the Stakeholder Advisory Group and look forward to our continued collaborations.

We believe that this focused effort speaks volumes to the importance of goods movement to our regional and national economy. In fact, it was this effort that laid the ground work for our region's timely TCIF submission. Without the work that had previously been done in bringing the various counties and agency partners together to discuss these complex issues, we do not believe that our region would have been able to submit a consensus request.

As we all know, our region's needs significantly outpace our current levels of available funding. Collaboration will be key as we continue to pursue integrated solutions. Future progress will require continued coordination across regional jurisdictions and levels of government, and with industry and community groups alike.

We encourage you to keep pressing forward for "simultaneous and continuous" system-wide solutions. Our multi-faceted supply chain is complex and this effort clearly reveals the need for comprehensive solutions.

Moving forward, we are committed to remain active stakeholders, working together to find solutions that are essential to support the future economic prosperity and enhance the quality of life throughout our region. We encourage you to continue to engage a broad base of industry partners in future efforts, so that we may continue to work toward systems-solutions that are comprehensive and sustainable.

Sincerely,

MAJESTIC REALTY CO.

Fran Inman

Fran Inman
Senior Vice President

cc: Edward P. Roski, Jr.

naiop
National Association of Industrial and Office Properties

SoCal Chapter
CYNTHIA G. FUSCO
Executive Director

VICKIE TALLEY

www.naiopsocal.org

March 17, 2008

Ms. Shahrzad Amiri
Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
Los Angeles, CA 90012-2393

Re: Multi-County Goods Movement Action Plan

Dear Ms. Amiri:

The SoCal Chapter of the National Association of Industrial & Office Properties (NAIOP) is the largest commercial real estate organization in Southern California and one of the largest chapters in the United States, encompassing more than 1,200 members in Orange and Los Angeles Counties. The Chapter provides a unified voice to protect and enhance the commercial real estate industry and quality of life in Southern California. NAIOP SoCal is proactively involved in public policy and provides members with comprehensive educational programs and interactive business relationship opportunities. We appreciate the opportunity to provide our input on the draft Multi-County Goods Movement Action Plan.

Improving transportation and goods movement is NAIOP SoCal's highest priority because of the impact the issue has on NAIOP members and the overall economic vitality and quality of life in the region. As the representative of the Chapter's over 1,200 members and the 5.4 million workers who travel on the roadways to work in the office and industrial buildings in Los Angeles and Orange Counties and who provide the distribution facilities for the distribution of goods throughout the country.

NAIOP SoCal commends the Multi-County Goods Movement Action Plan ("MCGMAP") partners for guiding the preparation of this strategic plan, and is pleased to be a participant in the Stakeholders Advisory Group. We support efforts to have the Plan adopted by public agencies and to work closely with private sector organizations and individuals in its implementation.

NAIOP SoCal has reviewed the draft Plan, dated October 2007, from the perspective of our members, the majority of whom live and work in Southern California. We also have viewed the draft Plan as developers, owners and operators of industrial and office facilities. We find the Plan to be a well-prepared and constructive effort to address monumental challenges in the movement of goods facing our region in the coming decades. Our appreciation is extended to all the MCGMAP partners and Metro staff for this effort.

As a result of our review we would like to offer the following observations, comments and recommendations:

1. We agree that MCGMAP partners have defined roles and responsibilities, and cannot fully implement many of the strategies alone. We also agree with your recommendation that continued collaboration and consensus building is needed. However, we would like to encourage a high level of involvement with both private sector organizations, such as NAIOP, and elected officials at the state and federal levels, to effectively design and implement recommendations of the Action Plan. We feel this is critical, since the support from these two groups is essential in advocating that other regions that benefit from goods moving through Southern California should bear a share of the costs for various infrastructure and other improvements.

2. The Stakeholder Advisory Group has questioned whether our Los Angeles and Long Beach ports should necessarily shoulder the capacity burdens that have been projected in the MCGMAP. The question has been raised as to whether some of this port demand should be diverted to alternate locations, either along the West Coast or Mexico. We do not believe that diversion to other ports is necessary, but rather that more efficient ways, both logistically and environmentally, should be found to move the goods.

3. The MCGMAP recommends the development of guidelines for local jurisdictions to use in siting and designing goods movement related land uses and transportation facilities. We believe that sufficient guidelines already exist and are being utilized by local jurisdictions for zoning and land use planning. However, should any jurisdictions pursue such guidelines, we strongly encourage that this be undertaken as a joint effort between the local jurisdictions and practitioner groups, such as NAIOP and the Building Industry Association, to be most effective.

4. In view of the complexity of confronting the challenges of goods movement in Southern California over the next 25 years, we feel that the MCGMAP should encourage and explore innovative and creative solutions by both public and private sector groups. The MCGMAP takes a step in this direction by encouraging vehicle and equipment manufacturers to find cleaner alternatives to oil-based fuels, and by supporting the Regionally Significant Transportation Investment Study to evaluate the feasibility of a dedicated freight guideway system. We applaud this effort and encourage the MCGMAP partners to aggressively pursue these ideas.

5. NAIOP SoCal supports voluntary efforts to embrace sustainable building practices that will result in lowering greenhouse gas emissions, conserve water, non-renewable resources and produce more environmentally friendly workplaces. We feel that it is essential to work together with the MCGMAP and Stakeholder members to adequately address environmental issues associated with goods movement facilities, including warehousing and distribution buildings, offices and transportation improvements. NAIOP supports reasonable and attainable modifications to the California building codes to assist in the implementation of AB 32.

6. We agree that Southern California has been receiving a disproportionately low share of federal funding for transportation improvements, despite efforts by our elected and appointed officials, as well as private sector organizations. With the adoption of the MCGMAP, we feel that pertinent and salient data and analysis are now available to more adequately make a case for not only more federal funds, but also increased collaboration and cooperation at the

state and federal level for cost sharing of proposed improvements that provide benefits well beyond Southern California.

7. We agree that there should be continued discussions with private sector and stakeholders to seek support in addressing goods movement impacts and filling funding gaps. We believe that the discussions should focus on the use of incentives and the delivery of tangible system-wide improvements, and not a focus on user fees. It is vitally important to develop a clear and concise message on this issue and effectively communicate this to the public and policy and funding decision makers

We recognize that considerable effort has gone into the preparation of the MCGMAP and strongly urge the MCGMAP partners to aggressively pursue implementation through a concerted effort of public and private sector collaboration. NAIOP has been proactive in facilitating solutions to goods movement issues not only in Southern California, but nationally, through our national headquarters staff and proactive organizations, such as the Coalition for America's Gateway's and Trade Corridors. We look forward to the opportunity to assist in the implementation of the MCGMAP.

Thank you for the opportunity to comment on the final draft of the Multi-County Goods Movement Action Plan.

Sincerely,

James V. Camp
Legislative Action Committee Chair

Vickie Talley
Director of Legislative Action

cc: NAIOP SoCal Board of Directors
Orange County Transportation Authority Board of Directors and Executive Officer
Los Angeles County Metropolitan Transportation Authority Board of Directors and Executive Officer

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Air Quality Management District
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March 17, 2008

To: MCGMAP Project Partners and Consultants

Re: SCAQMD Staff Comments on Draft Multi-County Goods Movement Action Plan

Thank you for the opportunity to submit these comments on the Draft Multi County Goods Movement Action Plan ("Action Plan"). The staff of the South Coast Air Quality Management District has participated in the Stakeholder Advisory Group for the Plan since its inception. This planning effort holds great promise because the project partners are multijurisdictional and can take a regional perspective to create *a vision for an optimal freight transportation system for Southern California*. The infrastructure that the project partners construct is important for air quality because the public health impacts of diesel exhaust are significant and localized, making infrastructure design, capacity and emissions control critical. Moreover, controlling emissions from goods movement is essential if this region is to attain federal air quality standards, and key emission control technologies such as rail electrification are inextricably tied to infrastructure.

We commend the project partners for their thought and analysis, and, in particular, for including the following among the objectives of the plan: achievement of "simultaneous infrastructure and air quality improvement;" accelerating regional environmental mitigation through project-specific mitigation *and* broader regional "powertrain" cleanup strategies; maximizing on-dock rail; and encouraging land use decisions that separate goods movement infrastructure and sensitive receptors such as residential areas, schools, and hospitals.

Despite the promise of this multi-county planning effort, we are concerned that an insufficient range of potential transportation systems has been analyzed to enable policy makers to design an optimal freight transportation system. In addition, the alternatives that were analyzed were not analyzed for air quality impacts, limiting key information available to policymakers. The Action Plan also needs to more fully describe mechanisms to achieve air quality goals, and must ensure that full project level review occurs before specific projects are assumed to be appropriate.

We thus urge that the Action Plan be augmented, as described below. We appreciate that some of the issues described below are designated in the Action Plan for further study.

March 14, 2008

Ms. Shahrzad Amiri
Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
Los Angeles, CA 90012-2393

Re: Multi-County Goods Movement Action Plan

Dear Ms. Amiri:

On behalf of Watson Land Company, I would like to offer support for public agency adoption and implementation of the "Multi-County Goods Movement Action Plan" (MCGMAP). As a Southern California based company with interests in diverse parts of the region, Watson Land Company understands the imperative of a strong and effective logistics system, which will generate unprecedented economic benefits for our area and the country. We are pleased to be a member of the MCGMAP Stakeholders Advisory Group and actively participating in the development of the Draft Plan.

We have reviewed the final version of the draft MCGMAP, dated January 31, 2007, which contains a very constructive framework for confronting the complex challenges associated with the movement of goods in the Southern California region. We believe that the MCGMAP has already stimulated a positive set of "actions" by initiating the Southern California Consensus Group, which is targeting the region's "fair share" of Proposition 1B Trade Corridor Improvement Fund (TCIF) revenues. It is our understanding that the high priority projects identified by Consensus Group and nominated for TCIF funding by the California Transportation Commission are consistent with the MCGMAP program. Both public agencies and the private sector now have a unique opportunity to build on this Consensus Group program foundation, and aggressively pursue other elements of the MCGMAP.

Let me offer a few additional comments on implementation of the MCGMAP:

1). While the Plan contains an "Implementation Principle" regarding land use compatibility, we strongly urge that more consideration be given to implementing creative and effective solutions associated with market driven land use decisions. Future logistic facilities will be greatly influenced by local land use decisions, which may not reflect regional goods movement needs and priorities. These potential barriers need to anticipated and addressed.

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2). In the section of MCGMAP identifying the "action sets," there is a proposal for development of a private sector funding strategy. Further, "Action Set 4" proposes a "private sector contribution" targeted to support future projects. It is important for Metro to place this private sector role within the context of other "fee" driven policy discussions currently under way. For example, Metro has been developing a congestion impact fee for future consideration by the Board of Directors. To date, there has been no discussion on how the potential impact fee would relate to the "user fee" envisioned in the MCGMAP. In addition, as currently drafted the proposed impact fee could be imposed on some of the same facilities indemnified in the MCGMAP as important elements of the regional logistics system. In addition, we want to emphasize that the collection of fees without a streamlined process for building the infrastructure for which it is intended would render this only a "plan" without action and results.

3) MCGMAP contains a section entitled "Next Steps" which references a proposal to include Mobility 21 and other organizations in the development of new federal funding sources to support priority goods movement projects in Southern California. While this advocacy activity is important, we urge that the role for Mobility 21 and other organization including the Southern California Leadership Council be extended into other aspects of the MCGMAP. It is important to forge a sustained and effective working framework for wide-range private sector participation, in order to translate this policy document into reality.

Thank you for the opportunity to comment on the MCGMAP.

We look forward to our continued working relationship with Metro.

Sincerely,

Pilar M. Hoyos
Vice President, Public Affairs

The AQMD staff would be pleased to assist in any way we can in this effort. Our goal in providing these comments is to assure that the Action Plan fulfills its potential and garners the public consensus necessary for successful implementation. These comments are consistent with AQMD staff comments submitted by letter dated August 1, 2007.

Background: Air Quality Needs. The 2007 SCAQMD *Air Quality Management Plan* (AQMP) plainly shows that expeditious implementation of advanced control technologies for goods movement sources will be needed for this region to timely attain federal annual $PM_{2.5}$ and 8-hour ozone ambient air quality standards by applicable deadlines (2015 and 2024, respectively), and to reduce local toxics risks. Even with aggressive implementation of advanced control technologies, the AQMP still contains a substantial "black box" of yet-to-be-defined NOx and VOC measures. These black box measures account for 54% of the total emission reductions needed to attain the federal ozone standard in 2024. In addition, EPA recently established a new 24-hour $PM_{2.5}$ ambient standard with a likely attainment deadline of 2019, as well as a more stringent ozone standard. Preliminary analysis indicates that implementation of the AQMP measures to achieve the annual $PM_{2.5}$ and previous 8-hour ozone standards will leave the region 49% above the new 24 hour standard in 2020 unless further emissions controls are implemented. Finally, recent health risk assessments have found high cancer risks – over 700 in a million – near Southern California railyards, due to diesel particulate matter emissions from locomotives, trucks and cargo handling equipment. The AQMD's recent Multiple Toxics Exposure Study (MATES III) similarly found regional cancer risks of 1,200 in a million, again primarily due to diesel particulates.

Key Goods Movement Emission Control Issues. In light of the above factors, the key air quality issues that the Action Plan must address are –

- how to ensure implementation of advanced control technologies for sources such as marine vessels and locomotives since federal and international standards for such sources have historically been inadequate to meet the needs of this region,
- how to expedite retrofit or replacement of heavy-duty trucks, locomotives and marine vessels since the most stringent regulatory emissions standards generally apply only to new units, and these sources have long useful lives, and
- how to ensure that the goods movement facilities are designed and sited so as to avoid unacceptable local and cumulative impacts from toxic air contaminants, chiefly diesel particulate matter.

Comments on Action Plan. We submit the following comments in the spirit of seeking an Action Plan that will successfully reduce congestion and address the issues described above.

1. **Public Support is Critical.** As is recognized in the technical memoranda, many goods movement plans and projects have been met with community concerns and

opposition due to environmental impacts. Such concerns have been grounded in forecasts of doubling and even tripling of cargo movement, and in the large and growing body of evidence that air emissions related to goods movement activities — notably particulates and diesel exhaust — are contributing to serious health impacts. These impacts include thousands of premature deaths per year from regional particulates, significant cancer risks near transportation corridors, asthma, risk of permanently reduced lung function among children growing up in high particulate areas, heart disease, and other impacts. Concerns over such impacts have delayed implementation of goods movement infrastructure projects perceived as capacity enhancing. *In order for this plan to garner the public support needed to succeed, it must demonstrably improve current unacceptable environmental conditions, both regionally and in locations affected by specific goods movement facilities.* Comments to assist in achieving these goals follow.

2. **Defining a Vision for an Optimal Freight Transportation System: Additional Infrastructure Scenarios Should be Considered and Air Quality Analysis is Needed.** A key potential benefit of the Action Plan is that it can take a multi-jurisdictional perspective and define an optimal transportation system for the region as a whole. A key question presented is what infrastructure to include, particularly whether truck lanes, shuttle trains or "more of the same" freeway and rail corridors should be used to transport containers to and from the ports.

   To help answer this question, the project consultant modeled and compared the hours of delay for vehicles and trucks considering nine scenarios ("bundles") of truck lanes, one mixed flow toll expressways scenario, and one "Alternative Technology" rail scenario. The latter scenario involved use of a shuttle train (possibly maglev) to transport containers to a new "inland port" railyard in the high desert or other parts of San Bernardino County. (We will use the Action Plan's term "Alternative Technology" in referring to this scenario, but we note that it could be implemented by traditional electrified rail, a well-established technology in many parts of the world, or, less desirably from an air quality perspective, by "Tier 4" diesel locomotives that EPA rules will mandate).

   The Alternative Technology scenario analyzed in the Action Plan is based on an inland port with limited capacity -- a maximum of 5,400 containers per day -- about the capacity of the existing BNSF Hobart yard. This is but a small portion of the containers transported through the region every day. One reason for this limitation is that the Action Plan envisions this inland port as being limited to containers destined for locations *within* the region; those destined out of this region would not utilize the facility.

   Under these circumstances, this Advanced Technology alternative showed worse performance than any of the truck lane scenarios in limiting hours of congestion delay. No comparison of air quality impacts and benefits of the scenarios was made. (Qualitative comparisons of Project Categories are made in Chapter 6, but they are

too general to be useful and are subject to misinterpretation[1]). We have the following concerns:

- **Lack of Air Quality Analysis of Alternatives.** We acknowledge the importance of the congestion analysis, but for policymakers to be able to knowledgably decide what course of action to take, *we urge that the Action Plan also present an analysis of the air quality impacts and benefits of major alternative goods movement proposals, such as truck lanes and "Alternative Technology" rail alternatives, or a combination of the two.* From an air quality perspective, trucks and rail each have pros and cons, depending on the technology utilized, proximity to warehouses, proximity to pollutant receptors, and whether grade separations are constructed. The issue of whether to utilize truck lanes, rail shuttle, or a combination of the two, thus requires more thorough analysis, including air quality impacts and benefits.

- **Only One, Relatively Limited, Alternative Technology Configuration was Analyzed.** Transporting containers to and from the ports by clean, zero or near zero emission rail, has the potential to take trucks off the highways and reduce emissions. Moreover, it may be technologically, economically, and logistically more feasible to control emissions from locomotives than from trucks because fewer locomotives can move relatively large numbers of containers and because technologies such as rail electrification have been in use for decades, while electric trucks are just now being developed for limited types of service.

  The draft Action Plan, however, only considers one, relatively limited, configuration for moving containers by clean rail. The analysis portrays that alternative as less beneficial than truck lanes in reducing hours of highway delay, but this is due to analysis that does not completely describe potential benefits. The key problem is that the analysis does *not* consider –

  - a larger capacity inland port than one roughly equal to the existing Hobart yard (representing a small portion of all TEUs)

  - the benefits of clustering the considerable amount of projected *new warehouse construction* (tripling by 2030) next to such an inland port,[2] or

  - use of such a facility as an "agile port" to create destination trains for containers *bound outside of the region* which were quickly removed

[1] For example, it is said that the greatest PM emission reduction would result from alternative technologies (probably true) and the least reduction would result from improvements not enhancing capacity (may or may not be true depending on technologies used, current vehicle speeds, and other factors).

[2] The Action Plan does suggest such clustering (p. 7-6), but there is no quantitative analysis of the benefits of this strategy.

from the docks unsorted by destination using low emission rail (thereby eliminating truck drayage to near and off-dock yards).

The lack of quantitative analysis of such options imposed substantial and probably unnecessary limitations on the ability of this alternative to reduce truck traffic and congestion, as well as emissions and community impacts adjacent to near and off-dock yards.

We emphasize that AQMD is not in this letter taking a position regarding the desirability of any particular inland port, or of the concept of inland ports. Rather, we believe this concept holds sufficient promise to warrant considerably more thorough study. We note that, at a minimum, any inland port would have to be remote from residential and other receptors to avoid toxics impacts, unless it was fully electrified.

Analysis of "Alternative Technology" systems should be conducted which considers alternatives involving greater capacity, greater implementation of on-dock rail, and clustering new transload warehouse space near inland ports. More, specifically, the factors that should be evaluated are as follows:

- ***Proximity to Receptors.*** The analysis should also determine proximity to residential and school sites (as was done for all of the truck lane options) so this basic comparison can be made between truck lanes and rail.

- ***Rail Emissions Control Technologies and Electrification.*** The analysis should include consideration of the emissions expected from (1) use of locomotives meeting EPA's proposed "Tier 4" emissions standards (e.g. 90% control of PM by 2015 model year), (2) emissions rates that could be achieved by accelerating to the year 2012 introduction of line haul locomotives meeting such standards (as assumed by SCAQMD and CARB in the State Implementation Plan, and (3) electrification of the existing rail system.

  Regarding electrification, as was noted earlier, the AQMP contains a substantial black box of undefined control measures, and the current air plan does not include sufficient measures to attain the new 24-hour $PM_{2.5}$ standard by the likely federal deadline of 2019. Electrification of the current rail system, potentially including a shuttle route to an inland port, is a strategy that should be evaluated as a means of further reducing emissions to meet the federal standards, as well as to address local toxics impacts from diesel particulates. The 2007 State Implementation Plan for the Basin calls for significant reductions from locomotives, equivalent to the accelerated deployment of 100% Tier 4 locomotives by 2014. While these reductions are substantial, system-wide rail electrification could achieve even higher reductions, as much

as 22 tons per day of NOx, surpassing the overall long-term benefits of such a system over Tier 4 engines. *Given the level of emission reductions needed by 2015 and beyond, as well as climate change impacts of diesel use, our region has no choice but to seriously consider the reduction of emissions from diesel locomotives through electrification.*

Further, discussions between AQMD, SCAG and CARB leading to the development of the white paper identifying long term "black box" strategies to reduce 200 tons per day of NOx and the upcoming 24-hour $PM_{2.5}$ standards must be considered. Direction proposed in the white paper will undoubtedly include strategies that fully support zero and near zero emission systems.

We agree that where electrification is not feasible, that Tier 4 is the preferred strategy. However, we recommend that the project partners analyze zero emission technologies including anticipated costs, benefits, timelines, etc. for the electrification of the existing rail system.

We also support considering *phasing* such electrification, if needed to commence implementation. For example, a high-volume rail link that has already been built to accommodate rail electrification is the Alameda Corridor. Railyards near each end of the corridor have the highest and second highest railyard cancer risks found by CARB in the state. This link is thus an obvious candidate to begin a phased electrification of the rail system.

- ***Evaluation of Clustering Development of New Transloading and Warehousing Facilities Adjacent to Inland Ports Remote from Residential Areas.*** One key purpose of a comprehensive, multijurisdictional plan such as this should be to assist the region to develop a sensible distribution of goods movement-related facilities. Given the tremendous projected growth in international cargo imports, it is fair to assume that the recent growth in transloading and warehousing facilities will continue. The growing body of studies showing the health impacts of diesel particulates on persons living near transportation facilities counsel that the plan should consider and analyze the benefits of focusing such development in locations that will avoid concentrations of diesel emissions near residential areas. The plan should thus evaluate the feasibility and impacts of clustering development of new transloading and warehousing facilities adjacent to inland ports that are remote from residential areas.

Such a "more comprehensive approach" is briefly alluded to in Technical Memo 6b as having substantial potential benefits, but is not

elucidated other than to state that the advanced technology corridor could be a viable alternative if land-use polices were strengthened to encourage warehouse clustering near inland staging areas. (e.g. pages 2-29, 3-20). *Given the enormous projected increase in cargo, the limitations on in-basin railyard capacity, and the community impacts of siting railyards near residential areas, it is essential that this approach be further analyzed and considered.*

- ***Maximizing On-Dock Rail to Minimize Rail Operations Near Residential Areas; Evaluation of "Agile Port."*** The current practice of draying significant numbers of containers by truck to "near-dock" and off-dock railyards where they are transferred to trains is inefficient, causes truck VMT and congestion, as well as local air quality impacts near residential areas. For example, the California Air Resources Board recently released risk assessments for several intermodal railyards that show significant cancer risks for thousands of persons, e.g. increases of approximately 700 in a million risk in some areas. For perspective, AQMD rules for stationary sources generally limit cancer risks to 25 in a million. To handle increasing cargo volume, new and expanded near-dock railyards have been proposed for locations close to residential areas that are already impacted by pollution from the ports. For example, an AQMD monitor at an elementary school just east of the proposed Southern California International Gateway railyard site has shown the highest elemental carbon levels (a surrogate for toxic diesel particulate) monitored in the region. The AQMD MATES III analysis showed this area to have some of the highest cancer risks in the region – well over the 1,200 in a million regionwide average. While some emission control programs are being implemented for railyards, *any use of diesel equipment in already impacted areas exacerbates unacceptable health risks.*

  In order to minimize congestion and air quality impacts, the Action Plan should seek to eliminate drayage of containers by truck from the ports to railyards, or alternatively, to electrify all means of container transport.

  We appreciate that the Action Plan states as a goal the reduction of reliance on trucks. However, we have not seen any indication that the Plan will seek to achieve this goal through means involving changes to rail operating practices. For example, one limitation on the Alternative Technology scenario is on-dock rail capacity. However, to our knowledge, there has not been any quantitative analysis by the ports or project partners of on-dock rail capacity that considers a key alternative: transporting *unsorted* containers out of the ports by rail to inland yards remote from residential areas. This procedure (sometimes titled an "agile port") could potentially free up dock space currently

devoted to sorting destination trains, and allow more on-dock rail. The ports stated in the *San Pedro Bay Clean Air Action Plan* that they would evaluate the potential to ship unsorted containers by rail as a means of maximizing on-dock rail (Measure RL-3).

We thus urge the Action Plan to evaluate and incorporate every means of maximizing on-dock rail in order to reduce the reliance on near and off-dock railyards nearer to residential areas, unless all means of container transport are electrified.

It is only with such a full evaluation of alternatives that this Action Plan can fulfill its promise of providing policymakers with sufficient information to define an optimal transportation system for this region.

3. **The Action Plan Needs to Include More Thorough Description of Mechanisms to Implement its Environmental Objectives; Approval of the Plan Should *Not* Include Approval of Specific Projects that Have Not Undergone all Environmental Reviews.** We commend the project partners for stating their support for agency environmental plans such as the AQMP and the San Pedro Bay Ports' Clean Air Action Plan. We also support the Action Plan's call for accelerated funding and implementation of control measures in such plans, strengthening of fuel and emissions standards, and project-specific mitigation. However, the Action Plan includes little detail regarding how these ends would be achieved. Indeed, much of the environmental mitigation portion of the plan is left to future development.

   By contrast, the scores of infrastructure projects proposed in the plan are described with relative specificity. All described as being "essential." (p. 7-17). Some of those projects are highly controversial and subject to ongoing environmental review regarding (e.g. proposed "near-dock" railyard projects adjacent to residential areas north of the ports). We thus are concerned that the Action Plan -- including specific projects but largely undetermined mitigation -- is proposed to be "approved" by the agencies involved in its development. We appreciate that the project partners have responded to our workshop comments and have stated that "approval" of the plan will not include approval of specific projects. However, given the description of all projects as "essential," we urge that the scope of approval be made explicitly clear to the Boards that will be considering the Action Plan.

   More fundamentally, however, the Action Plan needs to be augmented by specific mechanisms to implement its environmental goals. We would be pleased to work with the project partners to accomplish this. *Such mechanisms should seek to implement any control measures that have not been adopted as regulations or other enforceable instruments by international, federal or state agencies, ports or other governments.* Mechanisms to include are requirements to use clean trucks and locomotives as conditions of public funding, differential use fees for relatively high emitting equipment, coordinated advocacy by the project partners, air districts and stakeholders for more stringent federal emissions standards and for federal funding of

emission controls, conditions of port leases with marine terminal or railyard operators, etc.

4. **Evaluation of Infrastructure and Emission Control Feasibility.** Because we want the Action Plan to be successful, we urge that any proposed infrastructure proposals include comparative analysis of implementation feasibility. For example, the truck lane and alternative rail proposals raise obvious issues of availability of right-of-way space. Decisionmakers should be able to compare problems in securing sufficient space for the truck lane and rail alternatives. Another example would be the issue of truck lanes versus shuttle trains. Decisionmakers should consider which transport mode could more readily be adapted to zero or near zero emissions technologies.

5. **Other Comments: *Aircraft Emissions.*** On page 7-22, aircraft emissions are described as *not* being a significant source of pollutants compared to other mobile sources. We disagree. Aircraft will soon be in the top ten NOx categories. Other categories in the top ten are relatively well controlled with the notable exceptions of locomotives and marine vessels. Aircraft emit quantities of NOx comparable to locomotives and all sources in the "RECLAIM" program – the top 320 stationary sources of NOx, including all refineries and power plants. The fact is that all source categories must be controlled if we are to achieve attainment, and there are virtually no source categories with quantities of emissions that predominate over all others.

Thank you for the opportunity to provide these comments. We look forward to providing further input in support of an effective and successful Action Plan.

Sincerely

Peter Greenwald
Senior Policy Advisor

WATSON LAND COMPANY

March 14, 2008

Ms. Shahrzad Amiri
Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
Los Angeles, CA 90012-2393

Re: Multi-County Goods Movement Action Plan

Dear Ms. Amiri:

On behalf of Watson Land Company, I would like to offer support for public agency adoption and implementation of the "Multi-County Goods Movement Action Plan" (MCGMAP). As a Southern California based company with interests in diverse parts of the region, Watson Land Company understands the imperative of a strong and effective logistics system, which will generate unprecedented economic benefits for our area and the country. We are pleased to be a member of the MCGMAP Stakeholders Advisory Group and actively participating in the development of the Draft Plan.

We have reviewed the final version of the draft MCGMAP, dated January 31, 2007, which contains a very constructive framework for confronting the complex challenges associated with the movement of goods in the Southern California region. We believe that the MCGMAP has already stimulated a positive set of "actions" by initiating the Southern California Consensus Group, which is targeting the region's "fair share" of Proposition 1B Trade Corridor Improvement Fund (TCIF) revenues. It is our understanding that the high priority projects identified by Consensus Group and nominated for TCIF funding by the California Transportation Commission are consistent with the MCGMAP program. Both public agencies and the private sector now have a unique opportunity to build on this Consensus Group program foundation, and aggressively pursue other elements of the MCGMAP.

Let me offer a few additional comments on implementation of the MCGMAP:

1). While the Plan contains an "Implementation Principle" regarding land use compatibility, we strongly urge that more consideration be given to implementing creative and effective solutions associated with market driven land use decisions. Future logistic facilities will be greatly influenced by local land use decisions, which may not reflect regional goods movement needs and priorities. These potential barriers need to anticipated and addressed.

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2). In the section of MCGMAP identifying the "action sets," there is a proposal for development of a private sector funding strategy. Further, "Action Set 4" proposes a "private sector contribution" targeted to support future projects. It is important for Metro to place this private sector role within the context of other "fee" driven policy discussions currently under way. For example, Metro has been developing a congestion impact fee for future consideration by the Board of Directors. To date, there has been no discussion on how the potential impact fee would relate to the "user fee" envisioned in the MCGMAP. In addition, as currently drafted the proposed impact fee could be imposed on some of the same facilities indemnified in the MCGMAP as important elements of the regional logistics system. In addition, we want to emphasize that the collection of fees without a streamlined process for building the infrastructure for which it is intended would render this only a "plan" without action and results.

3) MCGMAP contains a section entitled "Next Steps" which references a proposal to include Mobility 21 and other organizations in the development of new federal funding sources to support priority goods movement projects in Southern California. While this advocacy activity is important, we urge that the role for Mobility 21 and other organization including the Southern California Leadership Council be extended into other aspects of the MCGMAP. It is important to forge a sustained and effective working framework for wide-range private sector participation, in order to translate this policy document into reality.

Thank you for the opportunity to comment on the MCGMAP.

We look forward to our continued working relationship with Metro.

Sincerely,

Pilar M. Hoyos
Vice President, Public Affairs